

# **The Administration of the National Coal Board**

By D. W. KELLY

*Mr. Kelly is engaged upon a study of the administration of the coal industry for a Ph.D. at the University College of Wales, Aberystwyth.*

## **THE POPULAR CRITICISMS**

**F**ROM its inception, the National Coal Board's administration has been subjected to prolonged and bitter criticism. The criticisms which have been made are many and varied, but it is possible to distinguish five main lines of attack. Briefly, they are as follows:

(1) That there is excessive "functionalism" within the organisation. The majority of critics refer to "functionalism" in its "vertical" aspect, i.e., that a structure having functional or specialist departments makes for the by-passing of operational management; fewer refer to the "horizontal" aspect—what Sir Charles Renold has termed the "adviser" or "commissar" dilemma.<sup>1</sup>

(2) That the organisation is over-centralised. The following comment from *The Economist* of the 20th September, 1947, is typical of many: "There are too many reports of excessive interference in local management, of conflicting policies being pursued by different departments of the Board, of technicians wasting time on unnecessary administration, of demands for sheaves of reports and estimates of expenditure, i.e., too many complaints of the characteristic sins of bureaucracy, for there to be much doubt that control at the centre is too tight and that initiative at the periphery is being smothered by over-organisation at the centre."

(3) That the Divisions are a superfluous element in the structure.

(4) That the structure makes for remoteness between management and men, resulting in poor human relations in the industry. It has been claimed that the present set-up makes everything too remote. As Lord Hawke has said: "The miner exchanged the devil he knew for the board he did not know; and the board was further away than the devil."<sup>2</sup>

(5) That the mine manager does not have authority commensurate with the responsibilities he has to bear.

## **CONSIDERATION OF THE CRITICISMS**

### *Functionalism*

It is true that with a functional form of organisation, undesirable practices may develop. Critics of "functionalism" concentrate mainly on the by-passing of operational management. Are the critics on firm ground, however, when they stress the prevalence of the theoretically possible dangers of

functionalism? It is generally recognised that a functional organisation is necessary and inevitable with the present large-scale organisation of industry. Accepting this fact, the problem becomes one of utilising its advantages and minimising any harmful tendencies. Has the N.C.B. succeeded in this? The impression left by extended discussion with N.C.B. officials is that it has. It became apparent that the critics' charges had substance in the early days of nationalisation when the organisation was in a state of flux. But with an increased understanding of the line and staff principle of organisation, and a clearer idea of the distribution of functions, the by-passing of operational management gradually diminished.

### *Centralisation of Control*

Critics claim that too much central control has resulted in a stifling of local initiative. The volume of criticism of this type has diminished, but it still occurs. Has there been any justification for these persistent charges? Or have they been mainly "political" in character? The National Board realises that in an organisation such as they control, it would be easy to retain too much authority at the centre; the problem is "to reconcile local initiative with the central direction of policy."<sup>3</sup> It was inevitable that there should have been too much central control in the early days of coal nationalisation; the industry was nationalised quickly and the National Board had to take a firm grip. Again, a tendency to over-tight control is an initial characteristic of many mergers. From Vesting Day onwards, there has been a gradual loosening of central control, a process possibly accelerated when Sir Hubert Houldsworth became Chairman of the National Board. As far as can be ascertained, Area General Managers, the key men of the industry, are satisfied that their powers are adequate. Complaints were sometimes heard that the A.G.M.'s capital expenditure limit upon one project was, in some Divisions, too low. These limits have been reviewed. The Divisional Boards have authority to sanction projects up to a level of £250,000. The amount which Area General Managers can spend upon a single project is left to the discretion of the Divisional Boards. In the South-Western Division, for example, and in certain other Divisions, the Area General Manager is authorised to spend £25,000 underground and £10,000 above ground, on any one project. It should be borne in mind that two or more projects can be undertaken simultaneously in a pit. Also that if a project will cost more than the limit laid down by the Divisional Board, an A.G.M. can quickly have the Board's approval, often within a week. Area General Managers and Divisional Boards now appear to be satisfied with their limits. It seems clear that the avowed intention of the National Board to hamper lower management as little as possible is being implemented. The Conservative Party, in opposition, gave considerable prominence to the Lancaster Plan and its stress on local management. The Plan has been allowed to fall into the background, very probably because of the hostile attitude of the N.U.M. which would make the bringing into being of Colonel Lancaster's proposals, in the form in which he envisaged them, highly difficult. But his intention is being implemented by the accelerated devolution of authority, though discussion with officials at Divisional level leaves the



impression that they still feel too much authority is kept in London. All agree, however, on the vigour of the policy of decentralisation being pursued.

### *The Rôle of the Divisions*

That the Divisions are a superfluous element in the N.C.B. structure has been frequently alleged. Generally, however, this is as far as a critic will go; there are few detailed accounts of suggested alternative organisations. Despite this, there is considerable support for the view that the coal industry is too big to be managed from one centre. Some reformers feel that there should be two tiers only in the N.C.B. structure—Headquarters and Areas. The general result, they feel, will be to bring about greater autonomy of each compact local Area. The Reid-Lancaster plan, too, favours a two-tier organisation of Headquarters and Districts. The essence of this plan is the creation of about twenty-six Area Boards co-extensive with the former wages districts in place of some fifty General Managers of more compact Areas, and the abolition of Divisional Boards. But there are far-reaching implications.

The National Union of Mineworkers (N.U.M.) opposes the plan on three main grounds. In a number of cases, the N.U.M. Districts coincide with the Divisions of the National Coal Board, so that the District can deal, for its entire membership, with one body, a Divisional Board. Again, the miners' Trade Unions have been built up on the basis of wide regions, differing in custom and tradition. Regional public corporations would, in some cases, cut across these regions. Finally the N.U.M. has long desired a central system of collective bargaining, a national pooling of finances and wage standardisation. It is feared that the removal of the Divisions—as such—or the Reid-Lancaster Plan, would lead to the Areas becoming financially self-supporting. Thus, whether these objections are wholly valid or not, Trade Union opposition to the removal of the Divisions would be overwhelmingly strong.

In its Annual Report for 1948, the National Board stated what is presumably the official attitude towards the Plan. It pointed out that the Divisional organisation was created in order to decentralise administration and to take due account of the widely differing character of the coal industry in various parts of the country. The Reid-Lancaster Plan aimed at "less management by committee" and more decentralisation. To replace nine Divisional Boards by twenty-six Area Boards would scarcely mean less management by committee. Moreover, doubling the size of the Areas—which the Plan foreshadows—would hardly lead to more decentralisation; decisions would be made twice as far from the point of production as are the Area General Managers today. With the further spread of decentralisation, the functions of the Divisions will become increasingly advisory and co-ordinatory and, as such, they will have a vital part to play in N.C.B. administration.

### *Remoteness of Management*

The problem of "remoteness" of management from the workers is one which will inevitably arise in any large organisation and is not peculiar

to the National Coal Board, as some miners' leaders would have one believe. But it is a serious problem for the coal industry for it employs 800,000 people. The available methods of countering this problem must be utilised to the full. There must be the maximum dissemination of information about Board members, the function of specialists, technical reorganisation and the like, the greatest possible number of visits by senior officials to the coal-face and to Consultative Committee Meetings, and the maximum adoption of the practice of joint consultation to ensure that the individual miner realises he has a means of putting forward his point of view on the varied aspects of mining. The time is not ripe for the establishment of a definite personnel function at pit level, but it seems inevitable that, in the light of the work of the Labour and Welfare Departments, and of the increasing tendency of the manager to become a co-ordinator, it will come in the not too distant future. Finally, in the N.C.B.'s process of devolution of authority downwards, it must be recognised that no function or duty should be withheld from the manager which it would be convenient for him to perform. For the man in the pit, the manager represents the management; he is the N.C.B. official with whom the miner deals. The more power he has, and the more disputes that can be decided, and decisions taken, at the pit level, the nearer comes the National Coal Board to the individual miner. Sir Charles Renold, in his discussion upon the "Captain of the Ship" concept, has well emphasised that though in unquestioned command of the ship, the captain may not exercise his command within it as he likes. He has to observe a variety of regulations decided by higher authority. But nevertheless, to everyone of the ship's company, the captain represents such higher authority. The closer to this ideal that the N.C.B. can approach, the better will be the human relations within the industry. There must be no suspicion that only lip service is being paid to the concept.

Finally, there is one point which critics of the National Coal Board seldom remember. Invariably, they speak from the side of the worker, but the problem is two-sided. It must be emphasised that the National Board too is remote. It is exceedingly difficult to gain a true appreciation of a given situation from a report which has passed through a number of levels of organisation. It is not possible to gain an understanding of the situation which the man on the spot may have. As a result, solutions to problems may be adopted which are not completely applicable to the situation, and frustration may arise.

#### *Position of the Manager*

It is apparent that the most effective method of approaching the problem of "remoteness" of management is by as close an approximation as possible to the "Captain of the Ship" concept. But does the manager's position today approximate to this ideal? Or is operational management being stifled, as is alleged? Considerable criticism regarding the position of the manager exists. It is alleged that he is overwhelmed by the quantity of paperwork which descends upon him. It has been said that the mine manager is unable to superintend, for example, the driving of a tunnel underground—he has to spend most of his time "driving a tunnel through his paperwork,

which mounts day by day upon his desk like a slag heap." The mass of directions and requests, it is said, could be greatly reduced if the coal areas were allowed more initiative and control. The mine manager's job is largely one of production; he cannot plan successfully if he is being worried continually by paperwork and innumerable visitations from Coal Board officials at different levels. The mineworkers themselves, it is claimed, desire more power for the colliery manager; they feel their position is jeopardised because many disputes cannot be settled as quickly as they would like. Advice and instructions are said to impinge on the manager from many different points, with the result that he feels his authority to be usurped and his sphere of influence to be reduced. Many managers feel that there are too many specialists intervening between them and superior management. Moreover, the quality of some of these specialists is suspect. Again, it is claimed that the position of the manager is being threatened because he has lost much of his power to settle prices with the men. Many managers feel that as the miners, now, are in a stronger position than ever before, they should have power enough to meet this new development. Finally, it is often alleged that the manager is handicapped by the system of stores requisitioning in vogue in the N.C.B. structure. It is said to be complicated and bureaucratic in form, the delivery of goods is often bad, and it is not known if the particular goods requisitioned will be obtained until they actually arrive, so that the manager may continue with the impression that he has certain goods on order, when actually they might have been disallowed some weeks previously.

*Requisitioning of Stores.* These lines of criticism need examination. First, do the allegations concerning the requisitioning system have any foundation in fact? It is usual for the manager to requisition the supplies he needs on one of three forms, electrical engineering, mechanical engineering and general. If he needs some item of mechanical equipment, say, the form goes to the group mechanic, thence to the agent, sub-Area Manager, and, finally, to the Area Production Manager, or even perhaps the Area General Manager. Thus, requisitioning is not a speedy process but, it is claimed, the system causes no undue delays. However, the physical act involved in the passing of the form from hand to hand results in a period of several days between the time the form leaves the manager's office until it reaches the Area Supplies Officer. And this does not allow for the fact that an official in the chain may not have time to review the form immediately. Inevitably, the question springs to mind: "What happens in an emergency?" Practice varies, but it seems that an immediate order can be made by telephone, with the requisition form being sent in later. Many officials claim that, in emergencies, the requisitioning of goods is very satisfactory, as the Supplies Officer can call on other pits. But the importance of wise anticipation is emphasised, doing away with hasty requisitions. This, however, highlights a defect of the existing system. Managers are human; wise anticipation is not always practised. Again, delays are lengthy, especially with steel goods. Managers comment, however, that a complaint to the Area General Manager about unreasonable delay brings speedy delivery. But this, again, indicates a defect; an efficient system of requisitioning would do away with the necessity of complaints. Another complaint is that a manager is not always told if

someone in the line disallows the requisition ; he remains under the impression the goods are on order. Finally, it appears to be customary to over-order on requisition forms, as the order may be reduced at the higher level.

Would any changes improve this system ? It should be compulsory to inform a manager if his requisition is disallowed, if only as a matter of common courtesy. Again, serious consideration should be given to the question whether a requisition form should have to be reviewed by so many people. In the South-Western Division some requisition forms bear as many as six or seven signatures. Moreover, it is not unknown for A.G.M.s to initial every requisition form which comes from the pits in their Areas. The question can pertinently be asked whether the Area General Manager can know very much about pit conditions which give rise to requisitioning. Before nationalisation, many of the larger colliery companies were moving towards a central stores system, but the majority of managers kept their own stores and ordered from private firms. This resulted in different sizes and qualities of every article. Central supplies produce considerable economies and central buying is conducive to standardisation ; buying in bulk generally means buying more cheaply ; lower levels of stocks need be maintained ; and centralising stock holdings means the centralisation of records, facilitating necessary transfers. It is illuminating, however, to keep in mind a comment of Sir Charles Renold : " The advantages of approximating to the rational entity are often sacrificed in pursuit of some specialised aspect of efficiency which may well be bought at too high a price, e.g., centralised purchasing. It may lead to frustration in the operational unit." <sup>75</sup> This is the state of affairs prevalent to some extent today. The Coal Board hopes to do away with the defects of the present system by the establishment of stocks at imprest levels, and other modern methods of storekeeping, a development common in other industries. These should relieve the mine manager of the necessity of periodic stock requisitioning, replacement in many cases being automatic. Each Division is proceeding along its own lines but certain basic principles in each will be the same. There is agreement on the principles of central stores, central buying and the central mechanising of stores records. Until these new systems begin, a two-way process of trust is needed to avoid waste. A manager must order only what he needs but he must be firm in the belief that his order will not be needlessly reduced. Those reviewing the requisitions must have confidence that the manager is requisitioning only what he really wants.

*Fixing of Price Lists.* The question of whether or not the manager should have greater power in the fixing of price lists with the men is one which has given rise to considerable discussion. Inevitably, there was much independent price list fixing before nationalisation ; the manager, acting in conjunction with his agent, had much greater powers than he has at present, when he works hand in hand with his agent, and on the advice of Labour and Production officials. The manager cannot bargain, alone, with the men about a disputed price list. The matter is reported to the miner's agent, who contacts the Area Labour Officer ; they meet the manager, group agent and the men's representatives. If the dispute is not settled at this stage, it is referred to the Division, and is discussed by a Disputes Committee. If not settled here,

an umpire decides. Why has there been this change in procedure? First, it is due to the creation of a Pit Conciliation Scheme. This scheme continues the practice common in some areas before Vesting Day. The National Union of Mineworkers and the South Wales Coal Owners Association had a procedure similar to the present scheme carefully defined by agreement, the main difference being that if the Disputes Committee, composed of representatives of the N.U.M. and of the South Wales Coal Owners Association, failed to agree the matter was referred not to an umpire but to a Disputes Finality Committee. It was from this Committee that the matter was referred to an umpire.

Secondly, it is due to the view of the National Coal Board that "co-ordination at Area and Divisional levels is usually essential." The Board inherited a complete lack of uniformity and the Labour Department, by revising a price list every time an opportunity arises, is working to introduce greater uniformity.

*Use of Specialists.* Many critics hold that specialists employed at Group, Area and Divisional level threaten to usurp the authority of the manager. Complaints are heard that there are too many visits by specialists who interfere with the normal working of the colliery. They are said to be out of touch with the peculiar features of the individual pit. There are complaints, moreover, regarding the quality of specialists and about their alleged high-handed manner. Often, they do not discuss their proposals with the manager but, instead, give definite instructions to his subordinates. Often, their instructions go straight from Area level to the "specialist" in the pit, so that work may be initiated about which the manager knows nothing. Finally, specialists often antagonise the manager by omitting to see him when they visit the colliery.

What is the truth in this matter of the specialists? Have the critics' complaints any substance? It must be emphasised that the specialist's position in the N.C.B. organisation is that of a consultant. He can do only what the manager wants him to do. In the past, colliery managers relied heavily on machine makers for advice. Now, they have a whole corps of experts at their disposal, but it is always emphasised that the manager is "boss," and that alterations, planning and reconstruction start in his office. Contented managers claim that if an official grasps the essentials of his new position, he will argue with a "specialist" confidently, and will accept constructive criticism from any quarter. In effect, "he is big enough to be little enough." Specialists are very necessary; everything cannot be left to the manager especially where considerable reconstruction is involved. Where a reconstruction scheme is proceeding, the manager necessarily recognises the advice and assistance which such men can give. Where, on the other hand, a colliery has no considerable reconstruction programme, a manager may feel resentful of what he may conceive to be interference in the day-to-day running of the pit. This state of affairs can be met, though much depends on the clash of personalities. A manager appreciating help and assistance from specialists will have none of the trouble which is said to result from their activities. A weaker manager, however, might be harried into accepting suggestions as something more. The number of visits paid by specialists to individual pits varies from Area to Area. They vary, apparently, according

to the manner in which the pit is run, and also, with the personality of the Area Production Manager on whose staff the "specialists" serve. Generally however, there is a weekly check-up by the Area Safety Officer and periodic visits from other specialists.

Are there any improvements which might make the system work more smoothly? It must be accepted, first, that instructions and advice will have to flow down different channels. Conflicts will occur, but these are inevitable in any large scale organisation. Direct instructions must come only to the manager; the implementation of those instructions will come to his staff.

It must be admitted that many appointments to "specialist" positions have not been happy, inevitably so, as there is a dearth of qualified men. The Board's aim is to improve the quality of existing staff and, by careful selection of new officials, raise standards all round. Many of these positions, when advertised, do not attract many applications. Greater publicity may be part of the answer. But only education schemes will remove the shortage of skilled men. And as the manager criticises the quality of the "specialist" so many "specialists" criticise the quality of the managers! When the "specialist" visits the pit, he should make every effort to see the manager. Often, however, the "specialist" is treated with scant courtesy, and is kept waiting. But if both men are reasonable, little inconvenience is caused and better relations result. If a specialist's instructions initiate work in a pit of which the manager is unaware, he has a legitimate grievance, and can gain redress by an appeal to the A.G.M. It is admitted in N.C.B. circles that the problem of the "specialist" is a difficult one, but it will be solved by a two-way process of, on the one hand, "greater accustomedness of the managers to legitimate interference," and, on the other hand, a desire on the part of authority to minimise all control other than that which is absolutely necessary. This extends to all, from A.G.M.s to deputies. Equally important, however, is the education of management, which must next be considered.

*Rôle of the Manager.* The rôle of the mine manager in the industry is changing. Today, he is more a co-ordinator of mine activities and a manager of labour than a technical specialist. This results from the increasing specialism of modern mining and the new importance of labour. Until recent years the manager received a training which it was hoped would fit him for the management of a mine in all its aspects. Today, however, there are overmen and firemen who are to be trained to a higher standard, and specialists in general safety, dust, roof control, ventilation and the like. It will be increasingly difficult for a manager to master all aspects of mine activity, and his rôle will necessarily become that of a co-ordinator. This view is stressed by the Fabian Society in their case study *Miners and the Board*; they believe, also, that the Board should endeavour to improve its personnel policy, and state that the manager should now consider himself a personnel officer and technician, and should be trained to this end.

It is generally agreed that this new training should include the technique of management as well as of production. How will this aim be implemented? There is room for an extension of the short courses for managers and senior officials which are held in the Divisions. Some writers believe there is need for a Central Staff College where the education and re-education of managers



can be put on a systematic basis. The greatest attention, however, will have to be paid to the education of new managers. They must be made to understand the new rôle of management which today works not by fear, but by persuasion. An encouraging feature of mining faculty syllabuses is the increased importance being given to the Social Sciences in an endeavour to provide a more balanced training. This training must break new ground, but it can, as Sir Andrew Bryan has well pointed out, learn much from the old management.

*Delegation of Responsibility.* It is useful at this juncture to enquire whether the manager's burden could not be eased by the delegation of more authority to his under-officials. The manager's responsibilities are heavy partly as a result of the increasing specialism in mining and partly because he is continually on call from the mine. But any delegation of authority should only take place within the cardinal feature of the Coal Mines Act, 1911. Many favour the amendment of the Act to allow such delegation, which would give the manager more time to deal with other duties such as personnel matters and long-term planning. It is realised that the standard of overmen and deputies will have to be raised. Today, considerable trouble arises in the pit from the way under-officials handle the men in their charge. These men can make or mar production, and their future training must emphasise the modern alternatives to coercion, i.e., supervision and teamwork. The holding of deputies' refresher courses is to be encouraged; in this way, the standard of existing officials can be raised. But the standard required of deputies is not high enough. The Ministry of Fuel and Power are attempting to raise these standards and, perhaps, it will be necessary to re-allocate the duties of under-managers and other pit officials to conform with modern pit conditions. Until these aims are realised, the burden on the pit manager will remain. In industry, generally, factory managers do not have the sole responsibility which is borne by the mine manager. It can pertinently be asked whether the Coal Mines Act of 1911 envisaged pits of the size found today.

### CONCLUSIONS OF REVIEW

My review of N.C.B. administration shows that the popular criticisms are exaggerated largely because of their political character. But three outstanding impressions remain of points which would bear thorough examination. The first is concerned with the National Coal Board's sub-Area organisation. At the present time, it is being criticised from three sides, the N.U.M., outside critics and many N.C.B. officials, generally at Area level. Too tight a control is said to be imposed on colliery managers by the existence of groups, or sub-Areas or—where both exist—by groups and sub-Areas. It has been said by Mr. Crews at the N.U.M. Conference at Porthcawl in 1952: "There are too many buffer departments between the pithead and the General Manager's office; colliery managers who are responsible in the ultimate for pit safety and pit well-being, as well as production, are subservient to every Tom, Dick and Harry." Again, one meeting of N.C.B. Directed Practical Trainees, after discussion, came to the conclusion "that in some Divisions



there are too many sub-Areas. They tend, often, to become no more than records offices, and cause unnecessary duplication, loss of time and loss in human relationships." These criticisms were not made lightly. Widespread dissatisfaction exists, but little official comment seems to be forthcoming. The number of collieries controlled by an agent varies; three is probably the average. There can be no set formula, for geographical conditions must play their part. Are the pits widely dispersed or concentrated? It may seem unreasonable to have one agent for two pits but the next agent's office may be many miles away. Again, geological conditions are important. The strata may be twisted and faulted, or the pit may be old, with the more accessible seams having been worked out, so that relatively more supervision is needed. Again where there is little reconstruction only nominal supervision may be needed. But where considerable reconstruction is being undertaken, an agent may need to concentrate his attentions on one pit. Finally, the poorer the quality of the managers in a group, the more urgently is an agent needed. So no hard and fast rule can be laid down. An examination of existing arrangements might be advisable. Two results might follow. If the results of the review are published, public fears would be allayed. There is little evidence through the Board's Publicity Department that much is being done, although it seems that changes have been made in the organisation below Area level, albeit rather quietly. Secondly, a thorough-going review might reveal possible economies. Whatever results follow from the examination, it would be invaluable in countering criticism, often ill-informed, and in dispelling doubts felt in the minds of some N.C.B. officials.

The second point relates to the N.C.B.'s publicity. During consideration of the criticisms which have been made, the impression is left that much more could be done to allay ill-informed criticism. Much criticism has been "political," the N.C.B. being a convenient ground of attack against the Labour Party. This tendency is to be condemned if the Public Corporation is ever to be removed from the field of political controversy. But why is the Board reluctant to counter such criticism? It has heard, almost in silence, comments about over-staffing, the buying of country houses and the like. The critics reach the newspaper headlines; why not the Board? Some N.C.B. officials are prepared to acquiesce in this policy of no-retaliation, but the great majority feel strongly about the attacks. They harbour a sense of resentment that the Board's organisation is practically defenceless against them (a resentment reinforced by the lack of educational activity on the part of the N.U.M.). But it is realised that a spirited defence by the Board in the days of the Socialist Government would have led to a charge of political bias. A defence now would result in the charge being made even more strongly. But it is difficult to see how a charge of bias could be made if the facts, and the facts only, are presented. The purchase of Himley Hall to serve as the headquarters of the West Midlands Divisional Board will illustrate this. With this purchase, criticism in the Press about the Board's purchase of country mansions reached its highest point. If the details of the transaction had been adequately presented, it would have been obvious to all what a sound business transaction the purchase was. The West Midlands Division's administrative expenses per ton of saleable coal became the lowest of all Divisions. The Board's publicity policy could well be revised, and a vigorous

programme of what might be termed public enlightenment embarked upon, dealing with all phases of the Board's activity.

The third point is concerned with the position of the manager. Whatever other defects his plan may have possessed, Colonel Lancaster stressed the need for inspiring leadership, and in this he was on firm ground. Leadership is needed in the industry today; human relations are not satisfactory. This is apparent from conversation with any miner. The typical miner demands leadership, and at present it is clear he is not getting it. The problem of human relations is the most important problem facing the Board. It has well been remarked that in the field of human relations, there was no Reid Report. The miner looks to the manager for leadership, and the status and quality of this official must be improved. The manager's outlook is important; many still think in terms of coercion and not of teamwork. Whether this outlook can be modified, or whether we must wait for a new generation of colliery managers is very debatable, but the attempt should be made. In the tasks of improving the colliery manager's status and meeting the problem of human relations, it is to be hoped that the National Board will make every effort to realise the Captain of the Ship concept.

Six years is but a short space in the life of any firm, large or small. It is a mere beginning in the life of the coal nationalisation experiment, directly affecting as it does approximately 800,000 men, and with a considerable influence upon the national economy. Flaws still remain, and conflicts of personality occur, and will continue, but the outstanding impression is one of a gradually rising standard of administration. The National Board has never shown reluctance to accept genuinely helpful advice and criticism, and is constantly watchful, so that changes which become necessary are made quickly and easily.

<sup>1</sup>*Organisational Structure of Large Undertakings; Management Problems.*

<sup>2</sup>House of Lords Debates, 3rd November, 1948, Vol. 159, Col. 236.

<sup>3</sup>National Coal Board Report, 1948. Ch. x.

<sup>4</sup>Lord Teynham: House of Lords Debates, 26th November, 1947, Vol. 152, Col. 943.

<sup>5</sup>*Organisational Structure of Large Undertakings; Management Problems.*

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# The Training of Town Clerks

BY BRYAN KEITH-LUCAS

*Mr. Keith-Lucas, now Senior Lecturer in Local Government in the University of Oxford, has served as an Assistant Solicitor with Kensington and Nottingham Corporations.*

IF English Local Government is to play the part it should in the life of the nation, it is essential not only that the most suitable people should be attracted to serve as councillors, but also that the standard of the officers should be maintained at the highest possible level. Much has been done in recent years to improve the conditions and training of the main body of local government officers, but none the less there is reason to suggest that the present methods of recruitment and training of future Town Clerks are in need of reconsideration. The position is much the same in the case of Clerks of County Councils and the larger District Councils.

In 1934 the Hadow Committee expressed the opinion that Town Clerks should be trained as administrators, rather than as lawyers. Since that time Local Authorities throughout the country have consistently ignored this advice, and the position remains as it was before, that the larger and middle-sized authorities will appoint none but solicitors as their principal administrative officers; it must therefore be accepted that qualification as a solicitor is necessary for any young man who aspires to become a Town Clerk.

The usual steps in such a career begin with Articles under a solicitor Town Clerk, followed by appointment as an Assistant Solicitor, often with some Authority other than that with which the Articles have been served. In order to gain more rapid promotion than may be available under one authority, Assistant Solicitors commonly move from town to town, and in due course rise to be Deputy Town Clerks and ultimately to be Town Clerks. In the same way they may become Clerk of a County Council or of a District Council. Some men enter the Local Government service after taking articles with solicitors in private practice, but they are a minority, and they often find themselves at some disadvantage in competing with those whose experience has been entirely in Local Government.

Thus today no man can become a Town Clerk (except in some of the smaller boroughs) unless he is a solicitor; and in order to become a solicitor he must serve for five years in articles (three years for graduates) as a pupil in the office of a practising solicitor. During this time he is commonly paid no salary, and it is usual for him to pay a premium to his principal (the solicitor to whom he is articulated). The amount of this varies, but articles under a Town Clerk may cost as much as £300, or, in exceptional cases, £500. In addition he has to pass the Law Society's examinations before he can be admitted as a solicitor. There are however some exceptions to these rules—some Town Clerks give articles to members of their staff and ask no premium, and a few authorities pay the articulated clerks a small wage.

While this system has continued unaltered for many years, there have been fundamental changes in the educational and social conditions of the country. The Education Act, 1944, has meant that, to a much greater extent than before, the ablest boys from the Grammar Schools can now go on to

Universities. A quarter of a century ago such boys might go straight from school to a junior post in the Town Hall or, if their parents could afford the premium and the cost of maintaining them for the five year period of articles, they might be articled to a solicitor in private practice or in local government. Today they are much more likely to aim at further education in a University or Technical College, with financial assistance from their local education authorities.

Meanwhile the Universities are paying more and more attention to the teaching of such subjects as Public Administration and Social Studies. Many of the undergraduates of today show a real interest in questions of Local Government, and some of them decide that they would like to find their careers in this field, with the hope of ultimately becoming Town Clerks or clerks of County Councils. Among them are a number of men of real ability, who take perhaps first or second class honours in History, Law, Economics or the Oxford School of Philosophy, Politics and Economics. Such men are often well suited to become in due course the chief officers of local authorities.

#### *The Main Impediment*

The problem is however to attract the best men, whatever subjects they have studied, and whether they have been to a University or not. And it is apparent that at present many of those who are most suitable are not being drawn into the Local Government Service. The reason for this is not to be found in the nature of the work, nor in the scale of salaries. The pay of Town Clerks and Assistant Solicitors in fact compares favourably with that of Civil Servants; the work is no less interesting.

The main impediment to recruiting young men of the sort that are needed lies in the cost of training. It is not many today that have parents able to meet this, and Local Education Authorities do not as a rule make grants for such a purpose. Most men, on leaving the University, must find work for which they will be paid a living wage, either as salary or in the form of a grant for further education. A few Local Authorities do pay a small wage to pupils articled to their Clerks, but this is rare, and in the majority of cases such a career is open only to those who can pay the price of admission.

To the man who wants a career in Local Government, but cannot afford to take articles with a solicitor, two alternative courses are open. One possibility is to find employment at once in a Town Clerk's office, as a clerk in the General Division. In this case he is unlikely ever to rise to the senior positions of real responsibility; there is little prospect of his rising above the rank of Committee Clerk or Chief Clerk unless he can qualify as a solicitor. This he can only do if the Town Clerk under whom he is working adopts the policy of giving articles to members of his own staff while they work in the legal department of his office. But the chances of qualifying by such means are remote. There is much to be said for more graduates entering the Local Government Service in this way, but yet it is to a great extent irrelevant to the present problem—that of enabling the most suitable men to qualify for appointment as Town Clerks.

The other alternative for such men is to abandon their ambition of becoming Town Clerks and turn instead to some other branch of the public service. This may be some other department of a Local Authority where professional qualifications can be gained while earning a salary. (A graduate

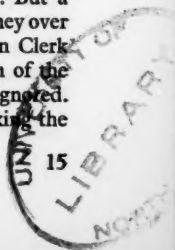
assistant in a Treasurer's office is normally paid on the scale APT1, starting at £440 p.a. plus £20 if in London.) But more attractive are the prospects offered by the Civil Service or the Public Corporations. In these fields, the young graduate of ability can, with reasonable good fortune, start at once with a salary of £450 a year or more, and win promotion to the highest ranks. Faced with these alternatives, it is natural that many young men of ability and ambition abandon their hopes of entering Local Government, and turn instead to the Civil Service, the nationalised industries or industry. Candidates of this sort are deterred from entering Local Government by the cost of training.

The difficulty lies to a great extent in the fact that entry to the most responsible position in Local Government can be gained only through membership of another profession—that of solicitor. This profession is most properly and carefully regulated by the Law Society, but a system of entry appropriate to a private profession is not necessarily suitable for the public service. At first sight it may appear that the solution is easy; the articled clerk should be paid during his articles a salary high enough to attract the best type of young men, who otherwise will choose some other branch of the public service. But this solution itself raises further difficulties. The Town Clerk to whom the pupil is articled can hardly be expected to pay the salary himself. The Local Authority is reluctant to do this for several reasons. First, the pupil is not in their service, nor is he selected by them. The Law Society quite reasonably insists on keeping a very careful control over entry to the solicitor's profession. The choice of who shall be admitted is a serious responsibility, belonging only to the Law Society and the individual solicitor to whom a pupil is articled. They owe a duty to the public to see that no one is admitted who is not fully qualified by ability, knowledge and character. This is a responsibility which cannot be delegated, and so the choice of articled clerks cannot be surrendered to local councils.

Further difficulty arises from the fact that, when the articled clerk has completed his training and qualified as a solicitor, he does not necessarily continue in the office where he has served his articles. Indeed it is usual for him to seek employment as an Assistant Solicitor with any other authority which has at that time a vacancy. On the other hand he may decide to leave the Local Government service and enter private practice. The ratepayers might well object to paying him a salary for three years while he was acquiring skill from which they will obtain no benefit. Nor can this last difficulty be avoided by requiring articled clerks to remain for a time with the same authority when they have qualified, because the Council will probably have no vacancy at that time for a junior assistant solicitor.

There is yet another reason why the Council might object to paying a salary to the articled clerk. A solicitor who takes a pupil into his office accepts a serious responsibility, and a duty to give some of his time to instructing and supervising him. For this he normally expects some recompense in the form of a premium. Town Clerks are in general no exception to this rule. But a Council might be unwilling to pay a pupil who promptly hands the money over to the Town Clerk as a premium. If no premium was paid the Town Clerk would have no inducement to take pupils, and the recommendation of the Hadow Committee that premiums should be abolished has been generally ignored.

Apart from these considerations, there would be difficulties in fixing the





appropriate amount of payment to such men. It must, on the one hand, be enough to attract the best men, when compared with the salaries at which they might start in other branches of the public service. On the other hand it must not be so high as to cause resentment among the existing staffs of local authorities. The clerks in the office, who entered the service direct from school, will, by the time they are twenty-three, have served for five or six years. Their salaries are not large, and they would naturally resent the incursion of men of the same age with no practical experience at salaries substantially above their own. There is at present but little feeling of this sort; probably because the higher salaries of assistant solicitors are recognised as reasonable payment for their professional training and skill.

Among these men who go straight into the Local Government Service from school are many who in due course might make admirable Town Clerks; young men of ability and enterprise with a detailed knowledge of the mysteries of local administration. At present they are debarred from reaching the highest positions unless they are given their articles, and qualify as solicitors while they work in the Town Clerk's legal department. Some Town Clerks make a practice of giving such an opportunity to selected members of their staffs. But many do not. It would be disastrous if this chance of promotion were lost; it would inevitably discourage many in the service, and others who contemplate entering it.

Some writers have argued that this recruitment from the junior entrants should become the normal or even the only road leading to the highest offices. But this would appear to be an equally disastrous policy. It would exclude all those whose ability has enabled them to get a University training. Moreover, the standard of young men and women now entering the service direct from school is noticeably lower than it used to be. Other callings and the Universities are attracting the best men. While this is so, a policy of post-entry training for the existing staffs can not by itself offer a satisfactory solution to the problem. It is clear that there must be opportunities both for the ablest men in the service to rise to the top, and for others to come in from outside.

There are many other aspects to the problem of how to improve the standard of Local Government Officers, but these are not to be discussed here, because it is desired to concentrate attention on one particular question; how to get men of first class ability as the Town Clerks of the future. It is clear that the initial difficulties deter them at present. But it is equally clear that they are needed, and that the main deterrent lies in the cost of qualifying as a solicitor. The office of Clerk to the Local Authority is now almost unique in the public service, in that entry to the profession is generally restricted to those who can afford to pay the price.

It may be that a solution would be found if Local Education Authorities generally recognised such training as a form of Further Education which it was proper for them to finance. Local authorities will pay the cost of a young man qualifying as a plumber, a schoolmaster or a printer, but not as a Town Clerk. Or it may be that help should come from the Local Authority in whose office the Articled Clerk learns his skill, or perhaps from a common training fund subscribed by all authorities. These are questions which should be carefully examined by the parties concerned—the Associations of Local Authorities, the Law Society and the Universities.



# Law and the Welfare State

By PROFESSOR W. A. ROBSON

*In reviewing Professor Friedmann's recent book, Professor Robson comments upon the present state of Public Law in this country and the remedies available to the citizen against public authorities.*

IT is only rarely that a book on law published in this country is of interest to a wide circle of readers outside the legal profession. Professor Friedmann's *Law and Social Change in Contemporary Britain*<sup>1</sup> is such a book, although it is also one which every lawyer should read.

The theme of the book is the relation between law and the social, political and economic transformation which has produced the welfare state. Legislation is the formal instrument by which the principal changes have been brought about; but the author surveys the whole field of law in order to focus discussion on those parts of it which have either been adapted to current trends or failed to respond to contemporary needs. He explores some of the lesser known highways and byways, and also examines the attitude of the judiciary and the climate of legal opinion in which cases involving social policy are decided. In reading the book we should bear in mind that disputes which come before the Courts are only the pathological disturbances which occur at the margin. Law should be conceived in its widest sense as prescribing the formal relations between individuals, between groups, between institutions, between public authorities and citizens.

The point of departure of such a study must be—and is—the rejection of the distinction that is sometimes made between lawyers' law and political law. This alleged distinction usually conceals an assumption that when the law is conservative it is non-political; and that when it is progressive it is political. Almost all substantive law has in truth a political aspect as well as a purely juridical aspect, although the extent to which the former is dynamic or controversial varies immensely. Dr. Friedmann shows that in this country the law has been roused from its slumbers and has become a major agent of social change. He considers, indeed, that the legal development of contemporary Britain goes far to belie the views of Renner and other continental jurists, who regard the law as the citadel of conservative and capitalist forces. Britain today, he observes, is a social democracy whose principles are largely accepted by the major political parties, and our law reflects this transformation (p. 33). Indeed, there is a danger that we may exceed the practical limits of what can be accomplished by legal methods. In the United States, for example, there is a strong belief that Communism can be excluded or defeated by repressive legislation; while in Britain the laws dealing with taxation, prices, death duties and so forth sometimes pay scant regard to economic realities.

In the 19th century the political belief in *laissez faire* was reflected in the legal doctrines that every man has a right to carry on his trade or to dispose of his labour as he wishes; and it was assumed that freely negotiated contracts

<sup>1</sup>Stevens & Sons, 322 pp. 37s. 6d. Foreword by the Rt. Hon. Sir Alfred Denning.

would express and preserve these rights. The movement of society from status to contract was expounded by Sir Henry Maine in a famous passage which every student of law and politics absorbed long after it had ceased to be true. In our own day society relies far more on public administration than on contract; and contract itself is no longer what it was. The old notion of an agreement freely negotiated between consenting individuals has become a figment of the historical imagination. In its place we find "standard" contracts laid down for general use by trade associations, standard insurance policies written by Lloyd's underwriters, standard conditions for the conveyance of passengers and goods imposed by railways and other carriers, collective agreements which determine the terms and conditions of labour on a national scale, international conventions which in due course settle the contractual conditions on which a traveller can book an air ticket, and similar phenomena. Thus contract has become increasingly institutionalised, as Dr. Friedmann puts it. "From being an instrument by which millions of individual parties bargain with each other, it has to a large extent become the way by which social and economic policies are expressed in legal form." (p. 71.)

Of even greater importance has been the abandonment by the Courts of their former adherence to the principles of free trade. For centuries the judges enforced the doctrine that every man has the right to carry on his trade as he wills or to dispose of his labour freely, by declaring illegal as being in restraint of trade, and therefore contrary to public policy, any act interfering with this right. From the end of the 19th century this doctrine began to be eroded, by a series of decisions in which the Courts upheld the legality of restrictive covenants contained in agreements for the sale of a business, limiting the future freedom of action of vendors, and similar restraints imposed by contracts of employment on technical or scientific experts, skilled workmen and business men. The attitude of the Courts towards cartels was equally significant. The decision of the House of Lords in the well-known North Western Salt case<sup>2</sup> concerned a combine of salt manufacturers formed to regulate the supply of salt and keep up prices. This combination had effective control of the domestic salt market. The defendants, who were not members of the combine, had agreed to supply it with 18,000 tons of salt a year for four years at 8s. a ton and not to make other salt for sale. They had the right to buy back the whole or part of this quantity at the current selling price of 18s. a ton and to act as distributors. The House of Lords decided that this highly restrictive cartel agreement was valid. Stress was laid on the benefits of restrictive agreements controlling supplies and maintaining prices; and the interests of the consumer and of the general public were virtually ignored.

This case was a landmark because it opened the way for a multitude of subsequent decisions upholding the legality of restrictive activities of many different kinds by trade associations, cartels and trade unions. It led to judicial approval of "stop list" action taken by trade associations to penalise persons or firms not complying with their rules about prices, etc.; it resulted in the Courts adopting an attitude of non-intervention or acquiescence in the bitter conflicts between rival trade unions in labour disputes, or between

<sup>2</sup>North Western Salt Co. v. Electrolytic Alkali Co. (1914), A.C. 467.

unions and employers who refused to recognise them, or the even more ruthless boycotts between trade associations and trade unions, or between one trade association and another. The law thus came to authorise corporate action which eliminated freedom of trade for the individual, and the courts refused to interfere, except in very rare cases (p. 128). What Dr. Friedmann calls the "glittering ideology of freedom of trade," formerly accepted by the judiciary as fully as by the commercial, industrial and financial classes whose interests it served, was abandoned within less than 50 years. Its place was taken by a judicial acquiescence in all kinds of restraints on economic life regardless of their adverse effects on the general public. If English lawyers had received even a smattering of political economy in their education; or had been aided in their forensic discussions by trained economists; or if economists had interrupted their abstract studies in order to consider what the law was doing, the trend of events might have been different. As it was, the corporate organisation of industry, whether in trade unions or employers' associations or cartels, has become almost compulsory. "The lone dissenter, or a rebel who criticises the management, will not only be expelled but he will normally be unable to find work in his trade. Where business men must comply with price rules, production quotas and other conditions of business, the workman must comply with the policy of his union" (p. 147). The right to organise has given way to compulsory organisation. These immense changes in the law have been brought about almost entirely by judicial decisions. Legislation has been only peripheral.

Turning to the subject of liability in tort, the author traces the extent to which it has been modified by social insurance. The supplanting of workmen's compensation by the National Insurance (Industrial Injuries) scheme is an outstanding example. The modification of liability in tort so as to take into account social insurance benefits payable to the injured person is another step in the same direction. The extended scope of tortious liability imposed on manufacturers and other suppliers of goods and services towards persons with whom they have no contractual relationship, first laid down in *Donoghue v. Stevenson* (1932) A.C. 562, indicates a changed attitude on the part of the Courts towards the social responsibilities of those who own and control the means of production. The increased use of civil actions for a breach of statutory duty, has resulted in the law of torts being brought into harmony with much modern social legislation. For today in such an action a plaintiff need not prove that his employer, for example, was negligent in failing to comply with a health or safety provision of the Factories Act or the Mines Act. The mere fact that he failed to comply is *a priori* evidence of negligence. Another field in which the law of tort has been greatly strengthened in recent years is in regard to the liability of doctors and hospitals for medical or managerial negligence—a matter of great importance in view of the National Health Service. All these developments are undoubtedly of advantage to the public.

Dr. Friedmann considers that the main purpose of the law of tort is the reasonable adjustment of economic risks rather than the expression of absolute moral principles. In consequence he favours dealing with civil wrongs from the standpoint of compensating those who have suffered injury from exposure

to risks rather than confining liability to cases where morally culpable conduct is proved. In pursuing this line of approach he is almost tempted to urge abandoning the distinction between tort liability dependent on culpability and social insurance liability based on mere risk. However, he rightly refuses to adopt this conclusion, in view of the influence of individual liability in maintaining good standards of conduct, even where the damages for wrongful action are payable out of public funds, as in the case of a government department or a public corporation.

The author's treatment of criminal liability is less convincing. He points out the obvious fact that criminal offences are of two kinds. There are the older forms of serious crime like murder, rape, larceny, assault, which require proof of evil intent, and to which great moral blame is attached by society. And there are the newer types of statutory offence, such as breaches of the Food and Drugs Act, non-compliance with price controls, building restrictions, or the safety and health requirements of factory legislation. "This kind of statutory offence," he observes, "is essentially an instrument of government, a formalised protection of social welfare provisions." It is "mainly administrative in character and does not involve a moral stigma" (p. 106). Liability for such offences is designed to ensure a standard of conduct in the social interest rather than to punish a state of mind of the individual (p. 107). Hence there is no reason why even the Crown should not be held criminally liable for this type of offence.

The weakness of this analysis is twofold. In the first place, it ignores the objective harmfulness of the latter type of offence. Motorists who drive dangerously or recklessly are a much more harmful element in our society than murderers, if one considers the result of their actions in terms of deaths. Much greater burdens are imposed on honest citizens by defaulting taxpayers who defraud the revenue or evade liability than by burglars who resort to housebreaking and robbery. Yet we are invited to regard these social offences as mere technical breaches of the law and not as involving moral culpability. In the second place, a great mass of evidence is accumulating to show that the punishment of crime without a sense of guilt is usually ineffective. The psychological and sociological problem is to find ways of evoking sufficient social disapprobation to induce a genuine sense of moral guilt in those who commit these modern statutory offences.

#### *Public Law*

Much of the work under review is devoted to public law. Part II is entitled "The Place of Public Law in Contemporary English Jurisprudence"; Part III "Statute Law and the Welfare State"; and Part IV "The Welfare State and the Rule of Law." Professor Friedmann postulates that democratic societies need a division of their legal system into public law and private law (p. 155). This seems to me an unassailable proposition. What I find hard to follow is an earlier statement that the introduction of a communist, fascist, social democratic or liberal-capitalist regime has not been in any way dependent on, or vitally conditioned by, the differences between Anglo-American and continental jurisprudence. Surely the legal order of a society permeates the whole community: it is not a mere mechanism which lies

on the surface, neither affected by nor affecting the political order. The most important single difference between English law and most Continental systems of law is that here law is traditionally conceived as being an instrument for protecting the rights of the subject against the government; whereas on the Continent it is regarded more as a device for enabling the government to control the citizens. We are not here concerned with the accuracy of these traditional concepts. What chiefly matters is the fact that in the constitutional struggle in 17th century England the lawyers joined with the Commons to support the popular cause against the King; with the consequence that ever since then there has been a strong latent hostility in the legal profession towards any signs of an autocratic executive. In most Continental countries, on the other hand, the lawyers were usually on the side of the King in defending monarchical absolutism against popular demands for constitutional limitations. Dr. Friedmann should reflect on these historical differences as explaining his own remark, "English law has no theory of the State" (p. 177). The statement is not strictly true, but it has a germ of truth in it.

The essential task in the sphere of public law is to reconcile the expanded administrative needs of the welfare state with the safeguarding of individual rights and the legal prevention of abuse of power. The nub of the problem is how to confer the large discretionary powers which public authorities require in order to carry on their functions with efficiency and flexibility without thereby exposing the individual to arbitrary or irresponsible governmental action. Political control is of course essential; but it is not sufficient. Legal redress must also be available.

In order that legal redress may be effective, the forms of action must be appropriate to the administrative process; the remedies which are available must have real cutting edges, which can significantly affect the activities and attitudes of public authorities, when they are at fault; the procedures to secure redress must be simple, cheap and readily available; the tribunal must be equipped to understand the issues in terms of public administration as well as of law, and it must be free to devise new doctrines and principles where these are needed to control contemporary situations.

The author does not explore all these different aspects which we have enumerated. He does, however, discuss in a most illuminating way the public law problems arising in recent judicial decisions. He concludes that full importance is not yet given to problems of public law when they appear in our courts in their common law setting, though there has been some progress in recent years. It is no longer invariably assumed that enactments or legal disputes should wherever possible be decided in favour of private rights. Sometimes, as in *Liversidge v. Anderson* (1942) A.C. 206, the pendulum has swung to the other extreme. But generally the prevailing judicial attitude is to balance the interests concerned without any prejudice in favour of either public interest or private rights. This attitude is illustrated by recent decisions in cases on tax evasion and town planning. Furthermore, where the imposition of legal obligations would hamstring public authorities in the exercise of their public duties, the Courts will if possible refrain from imposing such duties. Subject to these qualifications, however, the tendency is to clothe public authorities with the same legal liabilities as other juristic

persons. Any differentiation is roundly condemned by Professor Friedmann. Why, he asks, should a government department which owns land be exempt from an obligation to lay drains for sanitary or irrigation purposes? Why should a state housing commission be exempt from the building regulations of a local authority?

### *Safeguarding the Citizen*

The removal of the obsolete "shield of the Crown" by the Crown Proceedings Act, 1947, was a very desirable step, and one welcomes the advances made in recent judicial decisions. But the mere assimilation of the legal position of the executive to that of a private person is quite insufficient to ensure, on the one hand, that the social interests entrusted to public authorities are adequately safeguarded when they are endangered; or on the other that the citizen can meet the great Leviathan on reasonably equal terms when his fundamental rights are challenged by arbitrary, oppressive, neglectful or dilatory administration. Much new and creative effort is needed in devising new remedies applicable to situations which arise only in the administrative process. An example of the absurdity of imagining that all will be well if the same law applies equally to private citizen and public authority was given in *Travers v. Gloucester Corporation* (1946) 62 T.L.R.723, where substantial injustice was done to the relative of a lodger asphyxiated by fumes from a defectively fitted geyser because the legal position of a local housing authority was assimilated to that of a private landlord, as determined by judicial precedents in the early 19th century, when the social obligations of property owners were scarcely recognised by the law.

Professor Friedmann is well aware of all this. Administrative law in Britain and the other common law countries suffers greatly from the handicap of having an expanding system of public law which is compelled to use mainly the categories and remedies of a private law system (p. 217). The position is not static, however; and modest advances have been made in such directions as the use of the declaratory judgment to obtain an authoritative definition of the rights and obligations of public authorities, including the Crown itself, and in the use of the injunction against public authorities. It is only in the injunction and, perhaps, the declaration, that we can detect "the development of a specific public law remedy in situations where a private person could not entertain any action" (p. 232). In our opinion, any hope of real progress in the foreseeable future depends chiefly on whether the essential step is taken of creating a separate system of administrative courts, both of first instance and of appeal, in which all actions by or against public authorities would be tried.

The need for this reform does not lie in any shortcomings of the judiciary, for as the author remarks, "despite notable exceptions, the vast majority of judges have no wish to live a century behind the times" (p. 256). It arises from the fact that the Courts have enmeshed themselves so deeply in the binding force of their own precedents that they are virtually unable to change the law even when they would like to do so. Judicial self-limitation has crippled the creative power of the Courts and produced the state of mind expressed by Lord Macmillan in a House of Lords case when he said "Your



Lordships' task in this House is to decide particular cases between litigants and your Lordships are not called upon to rationalise the law of England . . ."<sup>3</sup>

If this be the outlook of the highest tribunal, to whom must we look for the rationalising process of which the law is in urgent and constant need? The simple answer is to say that the task is one for the legislature. But it is quite unrealistic to expect Parliament to have the time, knowledge, and skill for such a task, in view of the immense demands made on its attention and interest by more politically urgent matters such as the national economy, public finance, defence, foreign policy, the commonwealth and colonies, the social services, and so forth. Surely some consideration is required in a work of this kind of the rôle which the legal profession itself should play in reforming the law. At present great institutions like the Inns of Court, the Law Society and the Bar Council do not consider it to be part of their function to conduct regular and systematic inquiries into the state of the law, with a view to making proposals for its improvement. We have no Ministry of Justice, and the Law Reform Committee has been moribund for years. The law schools of the universities have exerted only a slight and occasional influence in this direction. Such a condition of affairs is not part of the natural order of the universe, as anyone who is acquainted with the American legal scene can testify. We would express the hope that this matter, which is highly relevant to the subject of law and social change, will engage the attention of Professor Friedmann on a future occasion.

*Law and Social Change in Contemporary Britain* is a stimulating book of outstanding significance. It derives much of its value from the author's remarkable equipment. He possesses in a high degree the capacity for lucid exposition and succinct analysis. He has mastered a great mass of material drawn from the legal systems of Britain, Australia, Canada, the United States, and the continent of Europe. He moves with ease over a wide range of topics, never allowing the real point to be obscured by a display of mere learning. Moreover, Professor Friedmann is a social scientist as well as an accomplished jurist. In consequence, he is interested in tracing the causes and effects of legal changes in the economic sphere, in politics, and in social relations. He realises that the influences which mould the law are the political, economic, and social ideas permeating the community, and the forces which they generate in society. It is because the author dwells so often in the borderland between law, economics, and government, that his book commands our attention as a major contribution to the great debate of our time.

<sup>3</sup>Read v. J. Lyons & Co. (1947), A.C. 156.



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## CORONA

Public administration can never be static. There must always be a moving forward. At the least there is always a search for increased efficiency and more up-to-date methods. At most . . . and at best . . . there is continual effort for much more than a faultless machine to cope with the growing complexities of social life. The good administrator knows that "the proper study of mankind is man" and that the path to progress in any field should be paved with human relationships through the understanding and willing acceptance by the public of administrative ways and means.

Nowhere is that path being followed more eagerly and with higher hopes than in the British Colonial Empire. Nowhere is it leading towards more fruitful change and more promising development in new conceptions of partnership between men of all colours and races in every sphere of administration.

The problem involved and the efforts being made to solve them can be read in *Corona*, the Journal of Her Majesty's Colonial Service. The Journal, with its illustrations and articles both grave and gay, supplies that extra knowledge of vital current affairs which is the hall-mark of the well-informed man or woman. If the colonial administrator finds frequent need to study methods of public administration in the United Kingdom, the home administrator has much to learn from activities which affect the Commonwealth and Empire.

*Corona* is published monthly by Her Majesty's Stationery Office and costs 1s. 6d. plus postage 2d., or 20s. a year including postage. It may be obtained from any branch of Her Majesty's Stationery Office or through any bookseller.

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# Local Government and Democracy

By PROFESSOR GEORGES LANGROD

*Professor Langrod is at the "Centre National de la Recherche Scientifique," Paris, and is Professor of Comparative Administration in the Brazilian School of Public Administration, Rio de Janeiro. This article is based on a translation of a paper given by Professor Langrod to the Congress of the International Political Science Association at The Hague in September, 1952.*

THIS study deals briefly with two concepts: First, there is the concept of local government<sup>1</sup> as a basis for democracy,<sup>2</sup> to be considered in the light of the questions: Is there really, as is so often argued, a relation of cause and effect between a democratic regime and local government? Is political democratisation of the State favourable to the existence and development of local government, or, in spite of certain misleading appearances to the contrary, is democratic evolution inimical to local government? Second there is the concept of local government as a basis of civic education, and as an apprenticeship in democracy, to be considered in the light of the questions: What is the true role of local government in the work of the democratic education of the mass of the people, in the creation of a democratic "climate" within the whole machinery of the State, and in the formation of the future leaders of the political community?

## *As the Basis of Democracy*

If local government really constituted the basis, or even one of the bases, of democracy, the logical result would be that the latter could not be conceived without it or that the whole democratic structure would risk collapse without it. On the other hand, the existence of local government would not be fully possible except within the framework of a democratic régime.

Such a conception, implied rather than clearly stated, is to be found in political literature and seems to be supported by a general conviction. Thus local government is often identified, for example, with "communal democracy" in the sense of Thouret's *pouvoir municipal*, or of the German *kommunale Selbstverwaltung* (Gneist), with the "grass roots democracy" of the United States (Lilienthal) or with the "local self-government" of Great Britain. In the small European democracies, as regards extent of territory, e.g., Switzerland, democracy is generally considered to be based on the local commune. But there appears to be a characteristic tendency rather to integrate the institution of local government with the democratic regime than to examine the alleged dependence of the latter on the local government existing within itself.

Now it appears that there is here, fundamentally, a regrettable confusion of ideas. In actual fact, there appears to be no justification for asserting that there exists an inevitable tie of reciprocal dependence between democracy and local government. Democracy does not come into being where local government appears, nor does it cease with the disappearance of the latter.

It is possible, on the contrary, for local government to continue and to develop under a regime which may be either clearly non-democratic or only superficially democratic or for local government scarcely to exist or to exist only superficially under a democratic regime. The opposite thesis seems to result either from the fact that (a) one limits oneself to an analysis of earlier historical evolution, or (b) that one confuses one of the factors necessary for the creation of the democratic *climate* (the essential basis for democracy) with the existence of democratic *institutions* (the indispensable super-structure for any democratic regime), or (c) that one unconsciously transposes the possible (but in no way indispensable) democratic essence of the internal workings of local government on to the higher level of democracy in the whole state (linking "local democracy" with the democracy of the whole community). It is necessary to devote some attention to this threefold misunderstanding.

It is true, indeed, that historically, the development of local government in Europe has corresponded to an anti-authoritarian process in the State, since in decentralising the administrative system, emphasis was at the same time being laid upon the importance of the periphery in relation to the (territorial) centre; by carrying into effect, in practice and in law, centrifugal administrative trends, the centripetal trend, linked historically with absolutism, was being fatally weakened. In the same way it is true that this process has corresponded with a parallel evolution towards democratisation on the political-social level. It is consequently true also that not only on the institutional level, but, more important, on that of the general climate, the development, stabilisation and extension of local government contribute towards the democratisation of customs, to the education of the masses and to preparing them in this way for an active participation in public life. It is true, finally, that often, but not always, local government helps to spread by its internal structure, the psychological bases and structural forms of democracy.

But if the problem is studied more closely, none of these statements justifies the identification of local government with democracy. It must not be forgotten that the problem of local government is—in spite of this deceptive title—but a technical arrangement within the mechanism of the administrative system, a structural and functional detail, based on the adaptation of traditional forms of the management of local affairs to the varied needs of modern administration. Now in spite of efforts tending to add to Montesquieu's tripartite division a fourth power, namely, *municipal power*, and in spite of the various repercussions of the existence of local government, which go far beyond the level of the purely administrative, it seems clear that democracy cannot depend, at least directly, on the existence or non-existence of an administrative arrangement, whatever it may be. To make this picture more striking (although this is only a simplification) it could be argued that it is a question here of a difference of "levels"<sup>3</sup>. A centralised administrative system, not democratic *in se* (as regards its composition, recruitment, structure, environment), helps to create a climate foreign to democracy, but—as is proved by various historical examples and by the comparative study of the administrative structure of contemporary States—it is not enough in itself effectively to stand in the way of the existence of democracy. The latter often tolerates within itself various a-democratic and even sometimes anti-democratic phenomena

(for example in the army, in the machinery of justice, in the fiscal system, in education, in the organisation of some professions, etc.), although in principle it tends to make them disappear.

Democracy can never be considered as a total phenomenon, absorbing the whole life of the community and penetrating inevitably into every corner; to think so would be to approach the problem superficially and artificially. Consequently, even if one wanted to identify the democratisation of the administrative system with local government (and this would be a debatable point), this would in no way justify the thesis that the existence of democracy depends on it, that it is one of the foundations of democracy.

Even if the democratic climate plays an extremely important role in every democracy (it could even be argued that it conditions it, since democratic institutions alone are never enough for democracy to be achieved *in fact* and not simply *in form*), it is nevertheless not sufficient by itself—democratic institutions are also necessary. If, therefore, it is established that local government plays—directly and indirectly—a possible role in the creation of this general climate, this alone would still not be enough to make of it a foundation for democracy. On the institutional level, the existence of local government in no way excludes a high degree of bureaucratisation as much in the centralised hierarchy (at all the stages of the administrative pyramid) as in the inner workings of the decentralised organs themselves. Indeed, local government can sometimes serve local oligarchies, political coteries, anti-democratic forces, rather than constitute a true reflection of the public will. In some countries local government, with its structural anachronisms, the high degree of its internal functionalisation, the preponderance in practice of the permanent official over the elected and temporary councillor, its methods of work and its obstinate opposition to all modernisation, can, contrary to all appearances, act as a brake on the process of democratisation. Further, it is also necessary to analyse the extent of the effective powers in every case under consideration, the real autonomy, the limits of central control and the way in which this is in fact exercised, the financial dependence of the local on the central government, etc. It is therefore a question of not taking words for realities, of not being content with a façade often fictitious and deceptive, but of going in each case right to the heart of the problem.<sup>4</sup>

If formerly there has been a certain parallelism between the evolution of local government and the development of democracy, it appears that this parallelism is due rather to fortuitous reasons, at least from the juridico-theoretical point of view.<sup>5</sup> In other respects, this parallelism is less general than one may think. When a state has long since passed from the absolutist age to that of the constitutional régime, local government has often remained (for example in Austria from 1866 to 1918) a veritable fortress of anachronistic privileges. Side by side with parliamentary elections based on equality and universality, we find throughout half a century, and in the middle of the 20th century itself, electoral inequalities on the local government level, based upon purely material criteria and on a clearly anti-democratic spirit. Thus, local government has not always developed towards its own democratisation, sometimes moving in a direction contrary to the trend in the state as a whole. Account must be taken of numerous examples of this kind.<sup>6</sup>

Thus, to sum up, even if the process of administrative decentralisation was utilised by democracy in action as one of the weapons against absolutism and as a motive centre of an adequate political environment, this in no way demonstrates the inevitability of their alleged interdependence, but only their chronological co-existence on the one hand and the purely opportunist and sometimes even fortuitous character of this co-existence on the other.

*Is there a Fundamental Contradiction?*

Furthermore, if democracy is studied in its dynamic, and not simply in its static or historical, aspect, it can clearly be seen that there is, in spite of appearances, a fundamental contradiction between these two notions. Democracy is by definition an egalitarian, majority and unitarian system. It tends everywhere and at all times to create a social *whole*, a community which is uniform, levelled, and subject to rules. It avoids any splitting up of the governing (and at the same time governed) body, any atomisation, any appearance of intermediaries between the *whole* and the individual. It puts the latter face to face with the complete whole, directly and singly. On the other hand, local government is, by definition, a phenomenon of differentiation, of individualisation, of separation. It represents and strengthens separate social groups enjoying a relative independence, sometimes autonomous, constituting parts of the public power. It furthers, then, the relief of congestion, a certain disintegration, a kind of local quasi-parliamentarianism, the multiplicity of local representative régimes within a national representative régime. It constitutes the direct historical reflection of a multiple struggle within the state: a struggle of social and political forces against centralist absolutism; a struggle of national minorities against the majority and of the minorities amongst themselves within the multi-national state; a struggle against the survivals of feudalism in the administrative structure; a struggle for cultural and economic regionalism.

Thus, since democracy moves inevitably and by its very essence towards centralisation, local government, by the division which it creates, constitutes, all things considered, a negation of democracy. It is true that this aspect of the phenomenon only appears later, in the course of the process of effective democratisation. Indeed, the closer the given state approaches a fully democratic régime, the less chance local government has—contrary to the general opinion—for development. Centralism becomes a natural democratic phenomenon; decentralisation is exceptional, and more or less artificial. This was underlined in de Tocqueville's statements and prophecies of 120 years ago.<sup>7</sup>

Bryce, the theoretician of the Modern Democracies, emphasises this characteristic analogy between the tendencies of the authoritarian régime and those of democracy. As Radbruch says: "When the management of communal affairs is entrusted to the local majority, there is a risk of eliminating the predominating influence of the majority at the national level over this local majority (these two majorities being possibly quite different); yet the unlimited domination of the overall majority constitutes the very essence of the democratic régime."<sup>8</sup>

Democratisation of the state tends to transform its government progressively into a *self-government* of the whole population—which must, during the course of this evolution, make any local government, “opposed” to the central government, superfluous and devoid of any logical basis. Democratic election on a national scale constitutes a guarantee of the representative régime without requiring its repetition at all the less than national levels or the partial personalisation of the territorial sections of the state. As has already been mentioned, the democratisation of public administration, a valuable complement to the democratisation of the whole community, may be attempted by a series of different technical arrangements (without the creation of distinct moral personalities) and without recourse to anti-egalitarian differentiations.

This state of affairs must be understood, or the picture as a whole will be unconsciously falsified. Local government and democracy triumphant represent indeed diametrically opposite tendencies. Democracy in action will claim, then, sooner or later, but inevitably, a breakaway from the fundamental idea of local government and will demand administrative centralisation. That is one of the most important problems, and one which is so often unappreciated, although it is a general one in the light of the study of comparative administration.<sup>9</sup> As has already been emphasised many times in published works, the incompatibility of democratic principle with the practice of decentralisation is a phenomenon so evident that it may be considered as a kind of sociological law.

As to the alleged democratic essence of local government, which is said to react upon the political-social structure and upon the form of government of the whole community, this would result from the fact that its deliberative organs are elected. French administrative doctrine even makes this a *sine qua non* of all territorial decentralisation.<sup>10</sup> Comparative experience seems to show that it is election, rather than nomination, which constitutes the principal method of recruitment for local leaders. To a casual observer, election can, then, in actual fact, appear as the *differentia specifica* of local government in relation to the formation of the bureaucratic hierarchy within the framework of every centralised régime.

But, as is demonstrated in the literature of administrative law (especially in Germany), this phenomenon, however frequent it may be, nevertheless appears in no way essential to the idea of local government. Administrative decentralisation is reconcilable with every means of obtaining local leaders.<sup>11</sup> Theoretically speaking, there is no serious reason why election, in public administration, should be considered as definitely characterising local government.

In practice, it is easy to find instances of election in a centralised administration or of nomination in local government.<sup>12</sup> It is true that election seems better to maintain the idea of the independence of local government (independence in its *subjective* sense) and that historically—at the period of the integration of the former self-governing bodies in the administrative framework of the modern state—it constituted a catchword and a password directed against the bureaucratic hegemony of absolutist centralism, although the historical evolution of British local government has been quite different.<sup>13</sup>



In other respects, it would be in no way just to identify every electoral system with democracy. It has been demonstrated that sometimes administrative decentralisation, although involving the process of election, remains nevertheless anti-democratic—just because of the way in which this process is carried out in law or in fact. Politically speaking, election can constitute a façade pure and simple with no real content<sup>14</sup>; it can serve an authoritarian régime by concealing its dictatorial character. From the administrative point of view, it seems more and more that the “subjective” independence of the local representatives (in relation to the central government) seems better assured by adequate processes of nomination (this leaps to the eye in the sphere of judicial power, but seems true also in the sphere of public administration).

Democratic election, that is to say above all universal election, by introducing inevitably into administration the political element (falsified moreover by its *local* aspect) and the struggle between parties (in the framework of proportional representation), seems less and less to serve the idea of “good administration.” Indeed, the more public administration develops (in size), improves (in quality) and becomes more technical, the less place there is for the preponderance of purely political factors: the unforeseeable results of an election risk the destruction of continuity, may deprive local representation of its truly *civic* character and may set local government in opposition to the true popular will. It is thus, furthermore, that the preponderance of the bureaucratic element appears and develops and is inevitably stabilised in local government. In this way the essential difference between centralised administration and local government is progressively wiped out. Finally, comparative experience proves that in local government election is always balanced by a complementary system of nomination, the co-option of part of the committees of the Council, the appointment of local officials, etc.

To sum up: the electoral system in local government in practice always oscillates between two poles: allowing the popular will to show itself and attempting to suppress the defects of this will. But the essence of local government seems to be not so much in an exclusive method of creating ruling organs as in a reasonable functional distribution and in a non-hierarchical structure. Thus the technical element of decentralisation far outstrips, in this connection, that of democracy.<sup>15</sup> Local government *lato sensu* seems to correspond much more closely with liberal political ideas than with those of democracy.<sup>16</sup>

#### *As Education for Democracy*

Local government can play a very important part in the work of the democratic education of the people. If decentralisation actually takes place and is not simply fictitious; if it is, then, a basis of very close co-operation between the individual and the “local powers” and not of a concealed bureaucracy; and if the influence of the individual on the formation of the body of local leaders is real, not superficial, local government can constitute a real school of civics, a way of bringing the citizen close to public affairs and a nursery of statesmen. Local government becomes in this way a sieve for the selection of future political leaders who become known in



local affairs before gradually extending their field of activity. This selection has a chance of being more objective, more direct, more justified. The integration of citizens in this active political elite of the country and their promotion into its specific hierarchy of public offices is thus carried out by stages, as their competence and their experience grows.

But this picture has its shadows. On the one hand, comparative experience shows that it is possible for this apprenticeship for democracy not to be carried out within local government. Indeed, the practical role of the civic element is sometimes—in spite of the law and in spite of appearances—secondary, more or less formal and limited. The citizen acquires from it, under these conditions, a more or less profound knowledge of local affairs, of public administration at this level and of methods of working together. But it is practically impossible for him to penetrate to the heart of the phenomena, to take them in their entirety, to achieve the idea of the public good. Guided, in fact, by a professional “clerk,” the citizen only rarely has to take on real responsibilities and more often than not is only part of the scene, with no real influence on events. He therefore has no opportunity to learn administration or government. What he does learn can be reduced to terms of electoral or pre-electoral practices, oratorical demonstrations, and the strategy of small-town politics.

On the other hand, this form of “local representation” comprises elements liable to lead to a certain narrowing of the horizons of local government leaders, contrary to the spirit of any democracy. Indeed, local interests, interpreted in a narrow way, are liable to cover up general interests by ensuring the predominance of “parish-pump politics.” The apprenticeship can become, in practice, definitely anti-democratic in spite of the democratic character of local government. At this point it is necessary to consider a whole series of slightly differing factors which, in spite of appearances, prevent in fact the achievement of a democratic education of the people through the agency of local government. Comparative experience proves that the deliberative local government bodies (of whatever kind) are inclined to serve and represent private interests rather than the general interest (which goes beyond them). It matters little whether the electoral system is the same at both the national and the local levels: the practical results are very often quite different because of the difference in perspective and the peculiarities of the administrative task on the local level; the same problems are tackled there in another fashion. Thus it is possible for the citizen taking part in local government to know little or nothing of true democracy in its political and social sense, and to confuse it in fact with a keen defence of sectional and piecemeal interests, with a permanent struggle against the “centre.”

Finally, this way of forming progressively, in stages, the future leaders of the political community has—setting aside its merits—some undeniable defects as to access to democratic offices. Indeed, there is a risk that a fixed hierarchy of the said offices may be set up, making difficult any direct contribution from outside. The citizen finds himself in fact under an obligation to go through in turn a whole series of stages in this hierarchy. In consequence, there is only one means (at least only one main means) of access to the active exercise of political rights at the level of the state, that is to say the progress

—obligatory in fact—through public offices at the local level. And at this level, as has already been said, the basis of selection concerns private criteria connected with local preoccupations, not general ones. If, in this connection, we take into consideration the peculiarities of political promotion within the popular political parties, the rigidity and narrow character of this hierarchy strike one immediately.<sup>17</sup>

If then we confront the abstraction with the reality and in spite of the presumption usually favourable to local government as it concerns democratic education, we find that it has not, of itself and *a priori*, the pedagogic qualities attributed to it. It can prove itself particularly useful in preparing the citizen for public life, by constituting the first stage of his civic education. But everything depends on the way in which it is thought out and carried into effect, on its structure and its working, on its dynamics and creative élan, on its range of legal authority and on the actual role played in it by the non-professional element. It is not, then, simply the outward appearance, but the content which is decisive.

Yet it seems undeniable that local government can and ought to be included in the list of factors capable of contributing effectively to the creation of a democratic climate. By the very fact that it is directed towards the differentiation of the population into distinct divisions of the whole, towards the possible variety of solutions and towards the autonomy of the territorial divisions, it permits the attainment of a greater harmony between general regulations and the popular will than is the case in a centralised régime<sup>18</sup>. In spite of the frequent defects of its organisation and of its methods, in spite of its cost and of the sometimes unsatisfactory results of its administration, it tends to integrate more closely the power of the people being governed—a fundamental postulate of any democratic reform. By its local character (arising, as regards its early origin, from the ties of neighbourhood), it increases the chances of mutual understanding, of closer and more stable human relations; it prevents the work of public authorities from being an impenetrable mystery to the majority of mankind, which is the characteristic setting of a centralised autocracy. This increases the chances of the practical application of democratic conceptions, by contributing to the creation of an environment more favourable to them. If, then, this environment is not killed at its centre by the possible anti-democratic character of the structure or working, undeniably it may play a practical role in the preparation of the future democracy.

### Conclusion

Finally, what precedes may be summed up by stating that local government plays a definite and positive part in the progress towards liberty and possibly a positive part in the process of democratisation. But at the same time, even if decentralisation contributes towards democratisation, and this, we know, is not inevitable, it leads inevitably in the last resort to the achievement of centralism in democracy. This is, then, a complex picture, difficult to clear up at first. By facilitating the possible apprenticeship for certain types of democracy and by propagating the democratic climate (or, at least, the climate common to democracy and to political liberalism), local government

has within itself, inevitably, the seed of its own death once the process of democratisation is accomplished. Whoever studies local government, then, in all its possible aspects, must notice that—unless the picture is to be falsified—it cannot be analysed from the point of view of democracy except in a very full manner.

<sup>1</sup>Local Government is to be taken as synonymous with Local Self-Government in the Anglo-Saxon countries, with the German *Selbstverwaltung*, with the *pouvoir municipal* (a result of French administrative decentralisation), with the *samoupravlenije* of the old Russian terminology.

<sup>2</sup>In order to avoid discussion going beyond the scope of this study, let me simply underline the fact that I understand democracy as a particular political climate and as an institutional set-up corresponding broadly to Lincoln's classic formula. I have expounded my point of view in greater detail in *Democracy in a World of Tensions*, a symposium prepared by U.N.E.S.C.O. and edited by R. McKeon and S. Rokkan (Paris, 1951, p. 449).

<sup>3</sup>A jurist appreciates more easily this superimposing of different "levels" since he studies above all the form of legal phenomena. But in the same way every political scientist, in observing the content of these phenomena, must be able to comprehend it, since its significance goes far beyond the purely formal aspect.

<sup>4</sup>In this connection we must not lose sight of the prime importance of fictions maintained in modern life which contribute strongly to the confusion of ideas. Neither democracy nor local government constitutes values which are absolute, uniform, comparable everywhere, and recognisable without difficulty. On the contrary, current ideas are relative and often constitute, in spite of constitutional or legislative texts, merely a facade, an appearance created unconsciously or an illusion created knowingly, an elegant form, misleading but with no real content. When we speak, then, of local government in democracy there is at bottom nothing but an equation of two unknowns. There is to be found a variety of formulae rarely corresponding with reality.

<sup>5</sup>This is firmly insisted upon by the Austrian jurist of the Kelsenian School, Adolf Merkl, in his manual of general administrative law published twenty-five years ago (*Allgemeines Verwaltungsrecht*, Vienna, 1927, p. 347). But it did not prevent—if the broad lines of historical evolution throughout the 19th century are studied—local government from becoming in continental Europe a form of representative regime at the local and then at the intermediate level of the administrative system just as at the national level Parliament constituted a framework for the participation of popular representatives in the process of legislation and of political control of the government. In any case, we must not over-estimate the value of this analogy.

<sup>6</sup>Local government, then, can be anti-democratic in itself within a more democratic regime (or it can remain less democratic than the state within which it exists), as is proved by the example of the old Austria-Hungarian monarchy. It may, on the other hand, and this happens more frequently, represent a higher degree of democracy within a state which is less democratic (for example, up to a point, local government in Hitlerite Germany between 1935 and 1945 or even in post-Hitlerite Germany occupied by the Allies from 1945). Other examples of these two aspects could be quoted.

<sup>7</sup>"... Among democratic nations the notion of government naturally presents itself to the mind under the form of a sole and central power, and the notion of intermediary powers is not familiar to them... centralisation becomes, as it were, the unavoidable state of the country" (p. 410); "A democratic people is not only led by its preferences to the centralisation of power; the passions of all its leaders drive it constantly in this direction. One can easily foresee that almost all the ambitious and capable citizens housed in a democratic country will work tirelessly to extend the attributions of the social power because they all hope to be at its head one day. It is a waste of time to wish to prove to these people that extreme centralisation can be harmful to the state since they are doing the centralising themselves. Amongst the public men in democracies, it is only the very disinterested or the very mediocre who want to decentralise power. The former are rare and the latter powerless" (p. 404); "... equality suggests to men the notion of a sole, uniform and strong government... in the democratic ages which are opening upon us, individual independence and local liberties will ever be the product of artificial contrivance... centralisation will be the natural form of government" (p. 403). (Cf. Alexis de Tocqueville, *De la démocratie en Amérique*, with notes by André Gain, Paris, vol. 2, 1951 edition.)

<sup>8</sup>Introduction à la *Connaissance du Droit*, 1924, and Cf. Merkl, *op. cit.*, p. 352.

<sup>9</sup>It is enough to indicate for example in this connection the process of progressive centralisation in Switzerland (Cf. W. E. Rappard's "La Centralisation en Suisse" in Numbers 1 and 2 of the *Revue Française de Science Politique* for 1951, p. 133 *et seq.*). This is a question of a triple phenomenon: the growth of the functions, powers and resources of the common government in consequence of a partial relinquishment by the Cantonal governments and the intervention of the Union in spheres which are still, administratively speaking, "virgin" (*ibid.* p. 135). There are to be found underlying this characteristic trend political, economic and ideological factors (that is, the aspiration towards greater liberty and equality). It is only thanks to the linguistic and denominational differences of the Swiss people and to the vitality of their local traditions that the centralist tread has been checked. We also find similar treads elsewhere. For example in the Netherlands the centralist trend, under French influence, seems to have killed the *Kantönligheid* (Cf. F. J. A. Huart). For the centralist tendencies in the administration of the United States see, for example, Ferguson and McHenry *The American System of Government* (1947), p. 887 *et seq.* or Graves "The Future of American States" in *American Political Science Review*, 1936: the member-states of the Union find themselves gradually reduced to the role of provinces and the practical competence of local governments becomes progressively less.

<sup>10</sup>Cf. for example, Maurice Hauriou *Décentralisation* (Répertoire Bequet, Numbers 21 and 26): "Centralisation . . . is authoritarian and governmental . . . ; decentralisation . . . is national, liberal and constitutional . . . it is expressed in a more direct taking over by the sovereign people of the administration . . . (its) very essence consists in the fact that the population of the district make their own decisions in local affairs. . . ." In the 12th edition of his *Traité* (p. 84-85) Hauriou describes decentralisation as a force by which the nation reacts against the government, as a democratic phenomenon (Cf. Charles Eisenmann *Centralisation et décentralisation, Esquisse d'une théorie générale* Paris, 1948, p. 218). "In the view of almost all French writers decentralisation is, by itself, essentially, a system democratic by nature, an 'institution of democracy': their idea includes the election of decentralised organs by members of the 'local collectivities' that is to say the citizens subject to the administration; without this feature, we should not be dealing with decentralised organs, and so not really with decentralisation. And so decentralisation is declared to be a 'school of political liberty' and it is explained that, through it, the decentralised collectivity 'governs' or 'administers' itself. . . ."

<sup>11</sup>I have developed this thesis in more detail in a study published twenty years ago in Polish: *3 lata samorządu Krakowa w świetle teorii prawa administracyjnego* (Cracow, 1933). (Three years of local government in Cracow (1931-3) in the light of the theory of administrative law.)

<sup>12</sup>For example: various consultative bodies in centralised administration; nomination of Burgomasters by the central government in local government (e.g., in Belgium and the Netherlands); "loans" of central government agents to local government (e.g., the role of the *préfet* in French *départements*); and the management of administration in the metropolitan centres.

<sup>13</sup>The Justice of the Peace was always nominated during the long period of his preponderance in British local self-government. The County had always at its head a nominated representative, not an elected one.

<sup>14</sup>Indeed, modern electoral technique comprises more and more within itself the factor of previous nomination more or less concealed from the elector (the technique of the proportional system, the drawing up of electoral lists, the dominating role of the political parties, etc.). Cf. Eisenmann, *op. cit.* p. 221-223.

<sup>15</sup>Cf. Merkl, *op. cit.* p. 349.

<sup>16</sup>Cf. Tocqueville, *op. cit.* vol. I, p. 95-96. "It is in the commune that the strength of free peoples lies. Communal institutions are to liberty what primary schools are to learning. Without communal institutions a nation may achieve a free government, but it has not the spirit of liberty." It would be easy to quote many other analogous opinions to support this thesis.

<sup>17</sup>It must be remembered that the work of local government on the administrative level has in itself little to do with politics in the strict sense and is dependent rather on politically neutral decisions. If the local politician fulfils his true vocation, and carries out his principal task, he rises above the activity of contradictory forces on the politico-social level and his mentality comes closer to that of the administrator.

<sup>18</sup>Cf. for example the development of this idea by Hans Kelsen in the English edition of his *General Theory of Law and State* (New York, 1945), p. 312 *et seq.*

# Thoughts on Administrative Case-Study

BY R. N. SPANN

*Mr. Spann, Lecturer in Government in the University of Manchester, has recently spent a year in the United States. In the course of this review of Harold Stein's book of Case-Studies in Administration, he reflects upon the possible development of the technique in this country.*

THE development of Public Administration as an academic subject in this country has been hampered by belief in the half-truth that "administration is an art which can only be learnt on the job." If this is so then, as Professor Edwards has recently pointed out<sup>1</sup>, administration is alone among the arts in containing nothing that can be absorbed academically. Most activities have some general characteristics which it is useful to know about if one intends to pursue them. There is no reason to believe that administration is an exception. Such a statement also implies that there is no possibility of reproducing some of the insights of "doing" away from the activity itself. But, though there are certainly many difficulties, no administrator really believes that he cannot communicate some practical wisdom to others by talking from his experience, in or out of the office. If he writes as well as talks, he instructs a wider public. Regrettably he usually does not write, for the student or for other administrators to read and to profit thereby.

We may imagine the administrator replying tolerantly that he agrees with this in principle, but what a wasteful and roundabout way it sounds of teaching someone about administration. How much simpler to learn by doing, with the senior official's wisdom available in the next room. To this I think that teachers of Public Administration have a number of answers. The neatest and most irrelevant is that most of them are not in fact teaching Public Administration, but Political Science! But let us suppose that they try to live up to their title. Then they might reply, first, that many of their students will never be full-time administrators, but will nevertheless go to positions where they should know something of administrative problems. It is hard to believe that public administrators would not like the experts who now surround them, and the intellectual leaders of the public whom they serve, to be made more aware of their functions and difficulties. Another answer is that students of Public Administration include men and women who already are, or will be, public servants who work in comparatively narrow fields and in junior positions, and who have hardly more notion of what goes on in departments or at levels other than their own than many an intelligent layman. There are limits to the desirability of teaching one hand what the other one does. But he would be brave who said we had sighted them.

My own preference would be for the more direct reply that even the senior administrator is still, or should still be, a student of Public Administration. I do not mean that he can learn a great deal from most of the current literature on that subject. He and his fellows have contributed too little to it for that, though he can perhaps learn more than he believes. It would be more accurate to put it like this, that if administration is the important activity we

take it to be at present, it must, like other important activities, be reflected upon, be brought into some focus. Recognition of complexity must be distinguished from an impatient refusal to discuss and analyse. It seems to me that public officials too often take refuge in a paradoxical combination of the views that they are plain men doing nothing of great significance and that they practise a high and incommunicable mystery. How little we ever learn about what excites or frustrates them, of their feeling for what they do, or of what they think they have learnt in doing it. How little criticism they bring to bear on the most absurd, and often influential, notions of their work put about by outsiders. Indeed, when they can be induced to talk or write, it often appears that they are as much the prisoners of the textbooks as the student. It is only appearance. If one is prepared to sit out the platitudes and the ritualistic recitation of what sounds suspiciously like Professor X's chapter on the relations between central and local government, things of great interest and value will be said, as it were unawares. One conclusion would be that administrators are often dull people because they do not know what is interesting about what they do. And I do not mean only gossip about personalities, interesting and illuminating as that often is.

#### *The Aims of Case-study*

These thoughts are the product of reading a recent collection of American case-studies in Public Administration<sup>2</sup>, written under the auspices of the Inter-University Case Program, and financed by the Carnegie Corporation. It is edited by Harold Stein, who discussed the general character of the studies in the Autumn 1951 issue of this Journal, and who has contributed a long and valuable introduction to the collection.

The editor defines a case as "a narrative of the events that constitute or lead up to a decision or group of related decisions by a public administrator or group of public administrators." The civil service files are full of the raw material of such cases, and a young civil servant's diet tends to consist of their study. A civil service file is, of course, a product of the situation it deals with rather than a conscious attempt to describe it. So far as it is compiled as a record, it is in order to note the decisions themselves and those facts bearing on them which may later be challenged. Its very defects as a narrative, reflecting as they do the involvements, the lack of time and perspective of the officials who compiled it, may make it a valuable teaching instrument for some purposes. The cases in this volume are an effort to remedy its defects as a narrative, piece its story together, fill in the background which it leaves unrecorded, and make more explicit some of the issues implicit in its contents. A case is an attempt to communicate an administrative situation in some way which does not require the student to go through all the motions of the original participants. Young doctors and young lawyers (and, in America, young businessmen) have had such prepared material to help them for a long time. There is nothing new about case-reporting in these fields. Why not then in the field of public administration, whose lore does consist of a kind of incompletely general framework built out of former "cases"?

Another way of looking at these studies is as an odd kind of history. The twenty-six cases in this book are histories of decisions, which in many



respects do not differ from other kinds of historical writing that try to explain, say, how it came about that the first Reform Bill was passed in 1832. One of the longest of them retails the events which led up to the U.S. Foreign Service Act of 1946 in a way not unlike that of the professional historian. But there are some differences between case-study and most history, which arise from differences of intention between the case-historian and the historian proper. While every effort has been made to get the particular facts of the case right, the primary purpose is to enlighten the reader about the "administrative process"; and this has various effects on the way the ideal case would be presented. It prescribes, for example, the sorts of events chosen for study. They are sets of events which seem to teach administrative lessons. Mr. Stein defines some of the aims of case-study as to provide "an opportunity for vicarious governmental experience . . . a common ground on which to explore conflicting conclusions . . . the means for suggesting and testing generalisations about behaviour in public organisations." Putting it in another way, we may say the cases are designed first to give the feel of administrative situations, secondly to promote discussion of the possibilities of the situation as well as of (and in relation to) what actually happened, and thirdly to contribute to administrative science, so far as such a thing exists. The cases may also contribute to a fourth aim, which Mr. Stein is not inclined to emphasise, the acquiring of factual knowledge about governmental organisation.

The first aim requires a sufficiently detailed narrative of events to give the reader a genuine sense of participation. The point of view of the participants must be stated, and some account given of the considerations they seemed to have in mind at each stage. The second aim involves a more or less explicit consideration of alternative possible actions at each stage of events, whether the participants appeared to have them in mind or not. The case-writer wants the reader to consider—did the people concerned act sensibly? Would some different arrangement have worked better? These may be questions which he cannot answer with respect to "history," removed as he is from some of the operative conditions, given less access to some facts, more to others, given more time, subjected to the rationalising bias of the case-historian, and so on. But he can observe the kinds of factor in the situation which would be relevant to such-and-such answer. He can try to relate his notions of sensible behaviour to those which appeared to operate in the situation. The case-writer tries to help him in this process, by introducing to some point his own interpretations and ideas of the crucial points that had to be settled. To some extent no historian can avoid doing this. But the case-writer will be readier to make guesses to fill out the picture, be freer with comment, care a bit less about truth to the particular facts and more about truth to the generality of facts about such situations.

The belief that the case-study can contribute to a science of administration takes us into a more problematic field. We are certainly not very close to any body of principles; and this collection of cases originated in fact in a rebound from the so-called principles of administration which have been formulated in certain management quarters. One of their aims is precisely to describe the sorts of administrative situation that can least plausibly be brought under such heads—where the variables are numerous, where person-

alities and political and social values are important and the channels of communication are complex and often informal. However, one of the original aims of the case-study programme was "to provide the basis for realistic concepts, hypotheses and generalisations" about administration. And perhaps, without bothering too much about science, we can say that they do help us towards more sensible talk about administration. To give a small example, the Introduction indicates some holes which cases of this kind make in statements of the form that "no administrator should have more than  $x$  subordinates reporting to him." How heterogeneous the concepts "subordinate" and "reporting" can be shown to be in the real world! Yet, as the editor goes on to say, "this principle of the Span of Control . . . has real utility," if we do not treat it as a mathematical law. The cases help us to use the principle more wisely, and possibly to reformulate it more cogently.

### *Topics for Case-study*

Many of the twenty-six cases in *Public Administration and Policy Development* are, as the title of the book suggests, concerned with high-level decisions with political overtones. It is not very easy to group them into categories. The editor himself suggests no less than four alternative classifications. They were expressly chosen to illustrate a multiplicity of problems, they average over 20,000 words, and one or two of them are as long as a short novel. However, some attempt must be made to indicate what they are about.

One group deals mainly with problems of formal organisation; for example, with decisions to reorganise two constituent units of the Federal Security Agency. There is also a production engineering case which relates the story of a major change in working methods in the United States Patent Office. A second group is concerned primarily with interdepartmental relations, in particular with disputes such as the 1944 controversy over the date and manner of the reconversion of American industry to peacetime working, or the long-drawn-out argument between the Army Corps of Engineers and the Interior Department over reservoir construction on the King's River in California. A third group largely deals with informal organisation, questions of personality, the administrative loyalty and responsibility of individuals, the relation between the administrator and the expert, the men at headquarters and the man on the spot, and so on. A fourth might be said to concentrate on the environment of administration, for example, the history of legislation affecting a department, such as the Foreign Service Act of 1946 or the F.B.I. Retirement Act of 1947; or the relations between departments and outside groups—one case deals with the war-time debate about the accuracy of the Labor Department's cost-of-living index, which primarily involved the trade unions. Finally, one or two are concerned with issues in local government, such as the illuminating account of some of John B. Atkinson's battles with his City Council after he became the first City Manager of Cambridge, Massachusetts, in 1942. This last group are exceptions to the general run of cases in this volume, which mostly deal with central government problems. The bias is recognised by the

editor, and the group of case-writers have more recently turned their attention to local materials and hope to produce more cases based on these.

As already indicated, a good many of the cases are of a high-level character, where policy is in the making, and where the external contacts of the department are often involved. As their editor admits, "the cases do not, on the whole . . . represent the kind of situation in which a junior government employee will find himself in the first few years of his career." They deal with "problems of policy rather than of technique," though Mr. Stein emphasises the tenuousness of this distinction; and often with issues where more-or-less open conflicts of policy have arisen. To this extent they are unrepresentative of the large mass of governmental decisions, even in the United States, where the public servant's relations with his fellows and with the outside world are less carefully defined than in the United Kingdom.

Their British equivalents would certainly be even more unrepresentative. But there is another reason why this sort of case is perhaps an imperfect guide to what could be done in this country. Its great virtue, and one reason for its length, is that it tries to give the reader a sense of participation in each stage of the discussion, as it appeared to the main parties concerned at the time. To do this, it has been found necessary to make a fairly free use of the names of public servants, to quote minutes that were written and letters (and, occasionally, recorded telephone conversations) that passed, as well as more accessible materials. The printed documents are in any case more informative in the United States. One can learn a great deal about American administration from the reports of Congressional Committee hearings, beside which we can only put a few reports of the Select Committee on Estimates, the minutes of evidence of an occasional Royal Commission, and the dull run of Annual Reports. How dry and essentially uninformative even books based on unpublished materials can be when the required English reticences are provided for is shown by the volumes of pre-war Foreign Office papers, and (I should add) some of the War Histories, now appearing in this country. The kind of history, designed to throw light on the administrative process at its higher levels, which the American cases present is peculiarly dependent on access to the inside of government.

It seems very doubtful, even if it were desirable on other grounds, whether anything like the same access to the part played by British public servants in important decisions could be obtained. There is, it is true, some interval of time after which these taboos cease to operate, usually after the participants are dead. It would help a little if senior officials were in the habit of writing memoirs. They rarely do, and those who do so tell us little of what we would really like to know. But no doubt a determined digging in departmental records would produce some interesting administrative case-material from, say, the period before 1914. The American cases indicate some possible lines of historical enquiry—the background of a decision to create a new department, a dispute over the control of some function of government, the story of individual public servants in relation to their agencies, the history of a departmental Bill, and so on. The reader of some of the histories of nineteenth century city government which have begun to appear, or of Professor Finer's life of Chadwick, or Sir John Simon's

account in *English Sanitary Institutions* of what it was like to serve the Local Government Board when one was used to being an official of the Privy Council, or Mr. Chester's recent article in this Journal on Sadler and Morant at the Board of Education, or the history of British colonial administration, will have noted possible themes of this kind. Coming to more recent times, there are such topics as the generation-old dispute over control of the new air arm, recorded (among other places) in *The War in the Air* and in Lloyd George's War Memoirs; and perhaps also the emergence of a department like the Ministry of Labour, on which Humbert Wolfe made some pertinent comments in his volume of the Carnegie History of the 1914-18 war. Whether these particular suggestions are promising ones I am not sure, but it is to be hoped that someone will soon make a start on historical case-records of this kind.

Is there nothing to be made of more recent developments? It will not do to be too pessimistic, though the emphasis of the cases under review on highly controversial questions may be a misleading one. Their editor, in his Introduction, mentions another sort of case. He instances the Case Reports in Public Administration of the Social Science Research Council,<sup>3</sup> "almost all . . . written by administrators themselves," which deal with "rather narrow and simple decision-problems," mostly of what may be called the O. and M. type. They have been criticised as "success stories," as too reticent and too little concerned with the substantive programmes of departments. But they have been found useful for teaching purposes, and offer one interesting line of approach. Most of the cases are short ones of two or three thousand words, which exclude personalities, and severely summarise their materials. They follow a standard pattern: (1) Statement of the Problem; (2) Relevant Facts; (3) Possible Decisions; (4) The Decision; (5) Results; (6) Comment. One or two representative titles are: Centralisation versus decentralisation of fiscal services; The personnel function and its relation to management; Elimination of regional offices; Centralisation of the compilation of statistics; Municipal purchasing from local agents; Control of the use of city-owned motor equipment; Adjustment of a situation involving an unjustified promotion. Though the titles are general, the cases are particular. The first, for example, deals with a decision to allow two war-time agencies to deal with their own accounting and auditing. These cases certainly strike the reader as rather too cut-and-dried, with a good deal of the life squeezed out of them. In comparison the newer cases of the Inter-University Case Programme (ten times the length) burgeon freely, sometimes a bit too freely. The two groups of cases may be said to indicate upper and lower limits to what can profitably be done. My own feeling is that we in this country could better begin nearer the lower than the upper limit.

The titles of the Case Reports suggest many British cases which could be reported, both from central and local government sources: decisions to reorganise a common service function, to centralise certain purchases, to open or close down a local office, delegate an activity, change working methods, recast a promotion ladder, create a training scheme, and so on. This could be done without offending any canons of official propriety and many could

be recorded fairly easily by the public servants concerned if there was an outlet for them and if the potential writers could be convinced of their usefulness. We have already one or two quite ambitious essays in this field, such as H. V. Rhodes' account of the formation of the Ministry of National Insurance.<sup>4</sup>

Nor must we suppose that the subtler and more complicated administrative situations, of which it is harder to give a faithful record, and which may involve more information that cannot be recounted in full, about personalities or departmental politics, are necessarily closed to study; at any rate with some playing-down or disguise of personalities and some inventive-ness. Mr. Balchin's *Small Back Room* managed to convey much of the atmosphere surrounding the administrative relationships of a wartime scientific establishment, while remaining a fiction. Novelists with this kind of interest and experience are scarce. But is there no Assistant Secretary or Town Clerk ready to oblige? We have *County Affairs*, which threw some light on the old county education service; and I have recently discovered a comic Army "case" in a chapter of Evelyn Waugh's *Men at Arms*, which the author would be surprised, possibly appalled, to find employed as an academic text in an English University. How about a spirited Treasury novel on a departmental Estimate? A different kind of example, this time non-fictional, of writing which is close to case-study, while at the same time observing the restrictions required of British writers on administrative subjects, is Professor Devons's *Planning in Practice*, an ingenious discussion of some dilemmas of planning and programming in a wartime production Ministry. His chapter on the Problem of Co-ordination<sup>5</sup> preserves much of the flavour of a case, though it names no names and quotes no documents.

There is, in fact, a good deal to be done that can be done and no real excuse to be found in the passionate anonymity of British administrators. It is true that some of it will have to be done by insiders, or ex-insiders, rather than by outsiders. Mr. Stein's cases were written "from the perspective of the detached outsider," and mostly one gathers by outsiders. But they aimed to include "what the ideal administrator would take into account." So a certain detachment is implied, and rightly, in the definition of an ideal administrator. An earlier theme of this article may appropriately be reverted to, that administrators need, as much as other people, to reflect on what they do; one way of doing which is to write about it. It is too readily assumed that the buttoned-upness of some British officials is the joint product of the needs of good administration and the British climate. May it not also in part represent a failure in self-appraisal, in objectivity?

#### *Cases as Teaching Materials*

After so much high-faluting stuff, honesty compels the present writer to admit that what he is really looking for is good teaching material for his students. So some reflections on how case-studies have been, and can best be, used for teaching purposes, may appropriately be added. There is already a considerable American literature on this subject,<sup>6</sup> the conclusions of which Mr. Stein summarises in his Introduction. They point to no single way of using the cases; in particular what is desirable or possible depends very

much on the nature of the group concerned. A Staff College whose students are administrators of some experience and an undergraduate department of a University are faced with different problems.

Nevertheless some generalisations are possible. Case-study is primarily an exercise in a way of thinking. "Most teachers who have worked with the cases have in practice urged their students to develop their own conclusions, have pushed them into the pangs of decision, have invited them to worry over the points that concern *them*." This involves some restraint on the part of the teacher, and the ability to keep quiet and let the class do most of the work. "Yet the consensus of the experimenters has also been that the instructor . . . need not make a fetish of concealing his own views, and that free discussion need not be incompatible with the planned consideration of various issues, especially those . . . that recur to plague administrators."

Another general conclusion is that plenty of time must be allowed for the consideration of cases. Most students are not used to this kind of discussion, and need time both to clear up many points that may seem obvious enough to the teacher or the case-writer, and to adjust themselves to an approach which is new to them. They are apt "to treat the cases as take-off points for conversational speculations only vaguely related to the text, or to concentrate on the details of the historical narrative without attempting to face the problems of decision." The usual University lecture period of fifty minutes seems to be about the minimum for a single session, but a longer period has (in the experience of the present writer) often worked better. The method is said to gain immensely in value if students can be made thoroughly familiar with it by having regular sessions over a period of several weeks or months, with the cases arranged so that they form something like a course in the main fields of administrative study. It is, in fact, a difficult technique with which to experiment in small doses, which is a nuisance to any teacher faced with an already full syllabus; it is also time-wasting in terms of existing conceptions of "covering the ground," and cannot be rigidly scheduled.

A good many different combinations of written and oral work are possible, and a good many different sizes of group. Perhaps I may discuss these and some other points with reference to the extremely restricted experience of "case" teaching in the University of Manchester. During the Lent and Summer Terms of 1952, a third year undergraduate class of thirty-six students, divided into three groups of twelve, attended weekly seminars at which cases were discussed. The seminars mostly lasted for fifty minutes, though one or two were allowed to run on. Eleven cases were discussed in this period. Not much time was available to assemble satisfactory case-material. Some American cases were used, others were produced at short notice by members of the staff. Mr. Rhodes' account of the setting-up of the Ministry of National Insurance was used; others dealt with such topics as the history (in terms of local administration) of a problem family, the financial problems of a Regional Hospital Board, an account of a promotion and its consequences, the history of a statute. We started with short, simple cases, then moved on to the more complicated ones, which normally required



a fairly extensive knowledge of the factual background. It was hardly possible, for example, profitably to discuss the financial control of a Regional Hospital Board without some knowledge of the basic statute, the general facts about Treasury control and of the relations of Whitehall to Local Authorities; or to discuss the impact of the social services on a problem family without a good knowledge of the services that exist in a typical local area.

When the experiment was over, the teachers and students were asked to make some assessment of its success. The most successful cases seem to have been the short and simple ones that needed a minimum of factual background for their elucidation. The main trouble with the others arose from lack of preparation. Although background reading was recommended, it was always necessary to spend a lot of time getting the facts straight. A seminar easily turned itself into a lecture on Treasury control or the National Health Service Act. The effort to fill in gaps in factual knowledge at the same time as one discussed the problems raised by the case led to considerable confusion. The conclusion to which we all came was that the study of this kind of case needed organised preparation, perhaps in the shape of one or more preliminary lectures on the background. Cases were distributed at least a week in advance, but no assignments were given, and no-one was asked to lead the discussion. Again, this worked all right with short cases. Its effect with the longer (and usually more complex) ones was that few students read them attentively. Our general conclusion was that one student at least should be asked to come prepared to open the discussion; and that, as Mr. Stein remarks, for those cases which "lend themselves rather easily to rôle-playing," a number of students might each be expected to present an aspect of the problem, or possibly perform as an "expert" on some part of the background information. In other cases, the answer seemed to be to set written work, asking students, for example, to identify the main issues and to draw their own conclusions. For one of the seminars the class were asked to produce a very short one-or-two-page statement on the case, and this certainly led to an unusually good discussion. But there seems to be a danger of boredom if they are asked both to write about a case at length and to discuss it.

We found our groups of twelve on the large size, although American case-study programmes have worked with larger groups; and these are often recommended, on the ground that it increases the probability that some students will be well prepared and that all the relevant points will be raised by someone or other. But we were not dealing with advanced students or with those who could bring much practical experience to bear; and case-study forms a very small part of our teaching programme. Our guinea pigs were shy, inexperienced both in the method and the subject, uncertain whether it was "going to be of much use in the exams," and in general well content to remain in the background if they could. Whatever the reason, we would have felt happier with eight than twelve.

Whether this cursory account of one limited experiment in case-study will be helpful to others I do not know. But the main intention of this article will have been served if it draws attention to the possibilities of advancing the study of public administration along these lines. In particular, what

is needed is more writing of cases, whether for publication or distribution in mimeographed form. Can someone or some group be persuaded to make a start? Perhaps (I speak as an irresponsible member) the Institute of Public Administration itself might consider organising a group of studies of this kind when circumstances permit.

<sup>1</sup>In his Haldane Memorial Lecture, *Administrative Studies in the Universities*, reprinted in *Three Banks Review*, September, 1952.

<sup>2</sup>*Public Administration and Policy Development: A Case Book*, edited by Harold Stein, Harcourt, Brace and Company, New York, 1952.

<sup>3</sup>Published by Public Administration Service, Chicago. There is a useful discussion of their merits and limitations in Anderson and Gaus, *Research in Public Administration*, Chicago, 1945.

<sup>4</sup>*Setting up a New Government Department*, Occasional Paper No. 3, British Institute of Management, 1949.

<sup>5</sup>Also printed in *Lessons of the British War Economy*, edited by D. N. Chester, 1951. This volume contains one or two contributions which approximate to "cases."

<sup>6</sup>See, e.g., *The Case Method of Instruction*, Harvard Business School pamphlet, September, 1951; and J. D. Glover and R. M. Hower, *Some Notes on the Use of "The Administrator,"* Irwin, Chicago, 1950.

## CHARLES EDWARD MERRIAM

**I**N DR. CHARLES E. MERRIAM, who passed away in Chicago a few weeks ago, the Institute has lost an old and true friend, and it is right that the *Journal* should pay a tribute to his memory. His interest in our work and aspirations, and the practical help which, with his assistance, was given to the Institute by the Spelman Fund of New York for research work, were in our early days a strong encouragement and support.

By profession a teacher of political philosophy—he was head of the Department of Political Science in the University of Chicago—he gave his support and counsel to various movements for the improvement of the business, and raising the standards, of government in his country. Like our own Graham Wallas, whom in many ways he resembled—not least in his modesty—he had to practise what he preached. He took a prominent part in the municipal government of his city, and helped Louis Brownlow in the foundation of that remarkable American institution, the Public Administration Clearing House in Chicago. At the Federal level he was an important figure in various activities directed to the improvement of the administrative structure during the regime of President Roosevelt, and was a member of the National Resources Planning Board.

He was a great American, a wise, kindly and trusted man, and we of the Institute who knew him mourn his loss.

H. N. B.

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## Local Government in Parliament

BY D. E. BUTLER

*Mr. Butler, Research Fellow of Nuffield College, Oxford, draws upon the data he collected for his survey of the General Election of 1951 to indicate the large number of M.P.s in the present Parliament with experience of local government.*

How many Members of Parliament have had experience in Local Government? Professor Mackenzie posed this question in his article on "The Conventions of Local Government,"<sup>1</sup> and proceeded to answer it, as far as the 1950 House of Commons was concerned, on the basis of the short notes in the *Times House of Commons*. But this admirable work of reference is, as Professor Mackenzie observed, "far from complete in its biographies"; therefore it seems worth while to examine more carefully the extent to which local government experience is represented in Parliament. In the course of the Nuffield College survey of the General Election of 1951 a card index of candidates was compiled, based mainly on the biographical information supplied by the parties, but supplemented with data from election addresses, *Who's Who*, and some lesser sources. There remain gaps in the information so derived but at least it is more complete than that provided by any single work of reference. However, any error in the figures that follow is likely to be on the side of under-estimation.

Of the 625 members elected to the House of Commons in October 1951 at least 222 had served as members of local authorities. (Professor Mackenzie's figure for the 1950 Parliament is only 184.) In the following table, the type of authority in which they served is recorded. (Since 36 had been members of more than one type, the total of authorities amounts to 258).

The preponderance of Local Authorities in London and its environs is perhaps not as great as Professor Mackenzie suggested but it is very considerable. Of the 258 authorities in the table, a third (83) are in the Metropolitan area.<sup>2</sup> Of the 67 Conservative M.P.s involved, almost half (32) had served in local government in or around London—but of the 154 Labour M.P.s, barely a quarter (41), had similar experience.

The L.C.C., with 25 former and present Aldermen or Councillors in Parliament, is far the best represented authority. But the record of Glasgow is perhaps most remarkable: 13 former Councillors are in Parliament. All the 8 Labour members for the City have served on Glasgow Town Council and so have 3 of the 7 Conservative members. In England Liverpool, with 3 City Councillors among its 5 Conservative members and 2 among its 4 Labour members, has the most notable record. It would be interesting to know the special factors which have led the local parties in these cities to look so much within their own ranks for their Parliamentary candidates. Over the country as a whole 113 M.P.s represent constituencies which overlap wholly or in part the boundaries of a Local Authority on which they have served; the other 109 ex-councillor M.P.s represent different areas in Parliament—although, in a number of these cases, their constituencies adjoin their Local Authority's boundaries without actually overlapping them.

It is not possible to compute satisfactorily the average length of service on Local Authorities but it is perhaps worth noting that 17 of the 154 Labour M.P.s and 6 of the Conservatives, with British local government

## LOCAL GOVERNMENT IN PARLIAMENT

## HOUSE OF COMMONS

Members elected in October 1951 with experience of Local Government

	Con.	Lab.	Others	Total
London County Council ..	13	12	—	25
London Borough Councils ..	13	22	—	35
County Boroughs .. ..	12	43	—	55
Non-County Boroughs ..	5	20	—	25
Urban District Councils ..	5	27	—	32
Rural District Councils ..	4	6	—	10
County Councils .. ..	16	40	1	57
Scottish Town Councils ..	5	14	—	19
Total .. .. .	73	184	1	258
M.P.s with experience .. ..	67	154	1	222
M.P.s without experience ..	254	141	8	403
Total M.P.s .. .. .	321	295	9	625
Percentage with local government experience .. .. .	21%	52%	11%	36%

experience, had served as mayors<sup>3</sup>; 8 Labour M.P.s and 1 Conservative had been Chairmen of Councils.

In general it seems that it is a little unreasonable for Professor Mackenzie to complain that "the House of Commons is not really strong in experience of local government outside London." It may be true that, as affairs are now conducted, the voice of the Local Authorities is not adequately heard. It may also be true that past service on a Local Authority does not necessarily mean that an M.P. is imbued with full understanding and sympathy for the problems of Local Government. Nonetheless, when at least 36% of M.P.s have served in Local Government, Local Authorities cannot seriously claim that they lack representation.

<sup>1</sup>PUBLIC ADMINISTRATION, Winter, 1951, p. 355.

<sup>2</sup>I.e., they fall within the solid block of Parliamentary Boroughs which surround the L.C.C. area. Professor Mackenzie has a wider definition of the Metropolitan area. He included the whole of Essex, Kent, Middlesex, Surrey and Hertfordshire, whereas I have included only the Parliamentary Boroughs adjacent to London.

<sup>3</sup>Not including the Labour M.P. who had been Mayor of Colombo, Ceylon.

# Haldane Essay Competition, 1952

## REPORT OF ADJUDICATORS

The Adjudicators were A. H. Hanson, M.A., Lecturer in Public Administration, University of Leeds, and S. F. Steward, C.B.E., Chairman of the South Western Electricity Board. Their Report is as follows :

The remarks of last year's adjudicators (*Public Administration*, Vol. XXX, Spring 1952) apply with equal force to the greater part of this year's batch of essays.

There were 45 competitors, and the essays covered a very wide variety of topics. Most of them were interesting, but very few were well written and fewer still showed any capacity for original thought or systematic research. Many competitors chose subjects which were too wide to be adequately treated in 5,000-word essays ; and prospective entrants for future Haldane Competitions should be warned of the uselessness of submitting essays with titles such as *Local Government from First Principles*, *The Machinery for Controlling Public Expenditure*, *Some Aspects of Public Administration*, *The Growth of English Local Government*, and *Industrial Democracy in Great Britain*. Textbook generalisations and a few personal impressions do not add up to a prize-winning Haldane Essay.

The essays which we had to consider seriously were those that dealt with comparatively limited subjects coming within the range of the competitors' personal experiences as public servants. Those that had *nothing* but grievances to expose or enthusiasms to expound could be fairly quickly eliminated. What we were looking for was the essay in which the competitor showed an ability to relate the subject of which he had specialised knowledge to the broader issues of public administration in such a way as to throw fresh light on it and to contribute something towards the solution of the problems that it presents.

The essay on *Dual Control in the Youth Employment Service* by K. H. B. Frere, Minister of Labour and National Service, Regional Office, Bristol, seemed to us to satisfy this demand to an outstanding degree, and hence we recommend it for the Prize Medal.

There are three other essays which, with some improvement in style and presentation, might be considered for publication in the JOURNAL, viz. :

*Civil Defence and Municipal Public Relations*—John C. Sutcliffe, Public Relations Officer, City of Westminster.

*The Central Government in Local Affairs*—A. J. Dechant, Ministry of Labour and National Service, Peterhead, Aberdeenshire.

*Unemployment in a time of Full Employment*—Percy C. Graham, Manager of Leyton and Walthamstow Employment Exchange, Ministry of Labour and National Service.

We have placed these in what we consider to be their order of merit.

A. H. HANSON.

S. F. STEWARD.



## Morant and Sadler—Further Evidence

By D. N. CHESTER, C.B.E.

SIR MICHAEL SADLER has many claims to a place in the history of Education—as pioneer in University Extension work, Department of Education official, Professor of Education, Vice-Chancellor and Head of an Oxford college. His life and work have been put on permanent record by his son, Michael Sadleir, the author, in a Memoir published in 1949 (Constable 20/-), and now by Miss Lynda Grier's *Achievement in Education* (Constable pp. xxvi + 267, 30/-). Both include the story of Sadler's eight years (1895-1903) as first Director of the newly-established Office of Special Inquiries and Reports in the Department of Education. Both deal at some length with the relations between Sadler and Robert Morant during this period. Miss Grier, however, has drawn upon the diaries kept by Sadler between 1888 and 1903 which came to light only after the son had written his Memoir. This fresh evidence is the only worthwhile feature of the chapter, for Miss Grier's views are too biased and her account too incomplete to warrant serious consideration.

The story of Morant and Sadler is of interest partly because it is a very human story; partly because it is a kind of case-study in public administration showing both the interplay of personalities and the working of the Civil Service at this period; and partly because both Morant and Sadler became very well known public figures and Morant in particular was, and still is, a controversial figure. It is desirable, therefore, that, if the story is to pass into public currency, it should be told with scrupulous fairness to both the parties. Unfortunately both the books about Sadler are one-sided and unfair to Morant. Those who wish to see the other side of the story should read Bernard Allen's *Sir Robert Morant* (1934); John Leese's *Personalities and Power in English Education* (1950); and my own review-article in the Summer 1950 issue of this Journal.

Miss Grier's account is marred by three weaknesses. First, Sir Michael Sadler is so clearly one of her heroes that she cannot see that being also human he may sometimes have been wrong. In her story of the relations between Morant and Sadler she most loyally interprets the facts in Sadler's favour even though they (and some of her general comments) are capable of a different interpretation, more favourable to Morant. She makes no effort to give the reader all the facts where Morant's position is concerned. Thus she omits to say that the Minister (Sir John Gorst) asked Dr. Garnett to take steps to test the legality of the London School Board's expenditure on higher grade schools at the next District Audit (see Bernard Allen's *Sir Robert Morant*, p. 132), and implies that Morant acted alone—thus making Morant appear to be doing something wrong. Again, presumably because the facts themselves do not obviously point in Sadler's favour, she does not hesitate to bring in the opinions of others about Morant's character—the author of only one of these opinions is given and he (Sir Arthur Salter) did not know Morant at this period.

The other two weaknesses are that she does not appear to have informed herself about how the Civil Service works and she makes no attempt to relate her story to the political struggles which affected public educational policy at this period.

The simple official facts of the story are well known and need only be outlined here to refresh readers' memories. Sadler was appointed in 1895 by (Sir) Arthur Acland (then Vice-President of the Department of Education in the Liberal Government) to be Director of the newly-created Office of Special Inquiries and Reports within the Education Department. Sadler appointed Morant as Assistant Director a month or so later from out of a highly competitive field of applicants. Neither Salter nor Morant was a Civil Servant before this. In November 1899 Morant became Private Secretary to Sir John Gorst (who had succeeded Acland as Vice-President). In March 1903 Sir George Kekewich, Permanent Secretary of the Department (by then the Board of Education) retired and Morant was appointed his successor. Sadler resigned later that year. On the personal side the bold facts are that Sadler and Morant were very close friends from 1895 to 1899. Sadler took an increasing dislike to Morant after he became Private Secretary and for the rest of his life had the most bitter memories of Morant and this period.

The diaries reveal that the turning-point in their friendship was November 1899 when Morant became Private Secretary to the Minister. Sadler disliked this move, apparently partly because he regarded it as a defection from his exceedingly busy office, leaving him an almost intolerable burden of work and partly because "Morant had frequently inveighed against Gorst to Sadler" and giped "at his educational policy." We are told that "For the first time Sadler's confidence in him (Morant) was shaken . . ." but Sadler "decided not to oppose the transfer, which was supported by Kekewich (the Permanent Secretary) . . . he only blamed Morant for not having at once turned down the whole idea . . . and thought his (Morant's) willingness to serve immediately under a man whom he despised as much as he did Gorst showed a lack of 'moral taste'."

If the head of every Division or Department in the Civil Service ceased to be friends with any very able member of his staff fortunate enough to be promoted to another Division or Department or to become Private Secretary to the Minister, Whitehall would be full of beautiful enmities. And if every civil servant requested to be Private Secretary to the Minister could refuse because he did not like the Minister or his policy, the present conventions about the relations between Ministers and civil servants would have to be completely revised.

One thing that emerges clearly from Miss Grier's account is that Sadler did not understand the traditional position of the civil servant and had little or no sympathy with it when it was pointed out to him. Thus Llewellyn Smith had had to warn Sadler not to say so much to Acland after he had ceased to be Minister about what was going on in the Department. Again Sadler was strongly in favour of serving civil servants being free to write to the Press expressing opinions on matters before the public providing that no official secrets were revealed and was "made uneasy" by the Minister's objection to the publication of an anonymous letter in *The Times* (by Sadler) about educational administration without it having first been shown him.<sup>1</sup> It is clear also that he liked to be personally well known to the public and was not happy as an anonymous civil servant.<sup>2</sup> He saw his Office very much as a

private show run by Sadler—in Whitehall today it would probably be known as the Sadler circus and be equally suspect by the permanents. And his was a political appointment. Some of the "temporaries" in the 1939-45 war had the same exasperating characteristics.

After the first two years Sadler became increasingly unhappy. He had not been brought up in the Civil Service tradition, he was well known in educational circles before he entered the Department and he was an expert and an enthusiast. Any civil servant will recognise here the seeds of bitterness and disillusion. He had frequent disputes with the Permanent Secretary (Kekewich) "which might almost be described as battles"; he was on bad terms with most of the top people in the Department and met increasing hostility. "Not only Morant but all in the office in the department filled him with dismay" (p. 85). "He suffered from moments of deep depression, natural to a man of his artistic temper" (p. 111). "He was evidently overwrought at this time (i.e. 1900) . . ." (p. 85).

Turning now to Morant's personal position it is important to notice that the appointment as Minister's Private Secretary meant a considerable increase in Morant's salary. He was married in June 1896 at the age of 33 and was then receiving £360 a year rising by £20 a year. The Private Secretary's allowance was £150. Moreover the post usually also brought with it promotion to a Senior Examinership at a basic salary of £650-£800. Several hundred pounds were at stake, important considerations to a recently married man without private means and with a young child. Is it not thus very strange that Sadler did not sympathise and wish Morant good luck rather than let the promotion turn him against his close friend?

But the story is even stranger for Sadler's diary records that when Morant heard Sadler's objections he offered to give Sadler the additional payment he would earn so that Sadler might use it to secure additional help in the office! (p. 75). (The Treasury had declared that no funds were to be forthcoming to replace Morant in the Office.) This is not the offer that ordinary mortals, newly married and hard up, would make and neither Sadler nor Miss Grier seem to see anything untoward in it. Shortly afterwards Sadler heard from another friend of Morant's that the reason Morant had given him for taking the post was that with a growing family he needed more money. Sadler noted in his diary "he offered the extra money to me," and Miss Grier mentions this as one of a series of events that "prevented the restoration of full confidence [and] broadened the rift between the two men" (p. 76). Morant's actions and statements are clearly not inconsistent. Obviously part of the attraction of the new post was the increased salary and in view of Morant's age (approaching 37) and the meagreness of his salary in Sadler's department this attraction was very understandable. Instead, however, of receiving sympathetic understanding from Sadler he met with strong objections, one of which was that more work would be thrown on Sadler, and as he had a great respect and liking for Sadler he made the rather quixotic offer of financial help.

There is another aspect of all this which turns it into a situation familiar to all officials. The responsibilities of the Education Department at that time were expanding and as the Board of Education it was obviously about to become

a more important department. Its Permanent Secretary (Sir George Kekewich) was 60 in 1900 and could not expect to remain much longer. His relations with the Minister were bad and he was trying to carry out a policy inconsistent with that supported by the Government. The Minister himself (Gorst) was not highly regarded by his ministerial colleagues. And education policy and organisation were at that time among the leading political issues. A situation such as this in any department at any time would almost certainly lead the senior officials to wonder who was to get the succession (there was no Deputy Secretary in those days) and to jockey for position and cause Ministers both in and out of the department to take a particular interest in its organisation.

Neither Sadler nor Morant could have been unaware of this situation and its potentialities. We know that Sadler was definitely interested in becoming the head of the new Secondary Education department ("seven of the most important educational bodies in England as well as a number of persons holding influential positions proposed to address memorials to the Duke [of Devonshire, Lord President of the Council] telling him of the satisfaction they would feel if Sadler were appointed" (pp. 76-77)). But in November 1899 Sadler received a "ferocious snub" from Kekewich when he asked for advice whether he should apply and early in 1900 the Hon. W. N. Bruce (who had been secretary of the Royal Commission on Secondary Education) was appointed. It is difficult to believe that he did not, on occasion, see himself as successor to Kekewich. In 1911, though he had been out of the Civil Service for eight years, he thought he would be Morant's successor as Permanent Secretary to the Board of Education, though there appears to be no official evidence to justify such a belief.

In contrast Morant's appointment as Private Secretary to the Minister obviously put him in a strong position for further promotion. Then as now, holders of this post in any department usually rise very high in the Service. The position always offers considerable opportunity for a man to show his abilities and even influence policy. Morant's position was likely to be more than usually strong and present more opportunities to influence policy for several reasons. The Minister and the Permanent Secretary were hardly on speaking terms—Gorst had "a vehement dislike of Kekewich" (p. 86). Again Gorst had personally asked for and obtained Morant's services a few months earlier as his adviser during the passage of the Board of Education Act, 1899, through Parliament. Finally, everybody admits that Morant was a tireless, able and commanding man.

After reading Miss Grier's fresh evidence one cannot but feel that Sadler at this time was not at his best. He was overworked and overwrought. He was inclined to see himself as the most distinguished man in the big world of education and Morant as a subordinate who had not his advantages. He was bewildered when events in the department went contrary to his friends' opinions of his greatness and when Morant became an important man in his own right and not merely Sadler's chief lieutenant. Would it be altogether at variance with the facts given in Miss Grier's book or one's knowledge of what often happens in these situations to suggest that Sadler had twinges of jealousy and was incapable of taking a fair and balanced view of the events of the time?

Miss Grier tries to make much of Morant's alleged intrigues, following Sadler's view closely and unquestioningly. But we are told that well before Morant became Private Secretary the department was full of intrigues, jealousies and bitter quarrels. It was an unhappy department. Most civil servants who receive rapid promotion have their critics who assume that they must have used black magic. Many Private Secretaries have been accused of benefiting by their contacts with Ministers and the Permanent Secretary. Sir Amherst Selby-Bigge,<sup>3</sup> however, has said that Morant's appointment was "not only appropriate but inevitable" (D.N.B. 1912-21, p. 386). Why does Sadler's reputation need bolstering up with attacks on Morant, most of them without any clear evidence? Why are we asked to accept as gospel the diary of one of the parties, who was overwrought and given to fits of depression and who, in terms of his official career, was much less successful than the other party?

Miss Grier tries to make a great deal out of Sadler's resignation. But we know he was most unhappy and continued to reject all Morant's offers to renew their earlier friendship. Sadler had considered resigning in 1900 and it was surely obvious that he was unlikely to remain much longer in the department. As soon as a good reason occurred he would take it. The opportunity came when he took a view of his rights as Director of his Office contrary to the views of the Minister and the new Permanent Secretary. One can admire Sadler's stand for freedom to do what research he wished and in the way he wished and regret that Morant did not handle him more tactfully. But there is plenty of evidence to show that in the Civil Service the relations between the head of a Ministry's research division and the top administrative people are always difficult and usually only great forbearance on each side makes the arrangements work. With a man in Sadler's frame of mind it was inevitable that there would be a row—all the ingredients were there—and particularly if one recalls Sadler's many battles with the previous Permanent Secretary. It is silly to write as Miss Grier does as though Morant engineered the whole thing. It would be just as fair to say that Sadler found it humiliating to work under a man who had once been his second-in-command.

One final point. I have the strong impression that both Miss Grier and Sadler's son write of Sir Michael at this period as though he then was what he subsequently became and tend to compare him with the Morant of his later years. This is unfortunate and misleading. As Master of University College, Oxford (from the age of 62 to 70), and afterwards as a venerable, distinguished figure in retirement with 20 years or more of public success behind him, is it not possible that he was rather a different person from when he was working in an element which he did not like and was faced by comparative failure? Morant, on the other hand, had no opportunity to savour leisure, public acclaim and a pleasant retirement. Starting as a Permanent Secretary in most difficult personal and political circumstances he was all the time heavily worked and facing difficulties. The bitter attacks made on him, to which he was prevented by his position from replying; the episode of the Holmes circular which gave his enemies further opportunities; the difficult and bitter atmosphere of the establishment of the National Health Insurance Scheme; the neglect of him during the war of 1914-18; and finally the short

but difficult period as first Permanent Secretary of the new Ministry of Health—this is not the kind of life that develops a calm and mellow attitude. My impression is that Morant was adversely affected both in health and spirit by the buffeting of his official career. The story of Morant and Sadler took place when they were in their thirties and how they looked and acted twenty years later is not reliable evidence. Miss Grier says "Indelible marks were left on Sadler by his experience at the Board" (p. 111). The same can be said of Morant's experience of this period. Had Sadler shown some of the Christian understanding and patience which he is said to have possessed in abundance instead of being so bitter and no doubt spreading his bitterness to others, the two men might have continued to work closely together for the good of public education. It was unfortunate for both that Sadler failed to rise to the occasion.

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Lady Morant died at the age of 84 while this article was going through the press.

The references to her husband in Miss Grier's book had caused her considerable anger and distress. I am very happy to think, however, that she gained a good deal of comfort and satisfaction from reading this review in typescript.

<sup>1</sup>The Permanent Secretary had told Sadler that he could send anything he liked to the press "only stipulating that he as Permanent Secretary should know nothing about it."

<sup>2</sup>"And more and more was Sadler hailed as an orator in educational circles, being invited here, there and everywhere, thousands hanging on his words in America, where he had a most dramatic success; and he constantly published articles, many being speeches he had delivered" (pp. 90-91).

<sup>3</sup>Successor to Morant as Permanent Secretary to the Board of Education.



## *Select Committee on Nationalised Industries*

### THE REPORT

ON 4th December, 1951, a Select Committee of eleven M.Ps was appointed "to consider the present methods by which the House of Commons is informed of the affairs of the Nationalised Industries and to report what changes, having regard to the provisions laid down by Parliament in the relevant statutes, may be desirable in these methods."

In its First Report (H.C. 332-1, 1952) to the House on 29th October, 1952, the Committee examines the Parliamentary Question which it considers to be "the most immediate and convenient way open to Members to obtain information about public matters." Under the chairmanship of Mr. Ralph Assheton the Committee took evidence on this subject from eight witnesses: the Clerk and the Second Clerk-Assistant of the House of Commons (Sir Frederic Metcalfe and Mr. D. J. Gordon), the Chairmen of the Nationalised Transport, Electricity and Coal Industries (Lord Hurcomb, Lord Citrine and Sir Hubert Houldsworth), a former Director-General of the Post Office (Sir Thomas Gardiner), the Leader of the House of Commons (Mr. H. F. C. Crookshank) and Mr. Herbert Morrison, a former Leader of the House and a leading member of the Labour Government who probably had the most influence on the form of nationalisation. The Committee did not examine any of the departmental Ministers who have answered Questions about the industries nationalised since 1945, but one of its members was Mr. P. J. Noel-Baker, a former Minister of Fuel and Power.

The Committee has concentrated upon the Coal, Transport, Gas, Electricity, and Iron and Steel industries "since they were constituted as independent public corporations, with the deliberate intention of freeing them as far as possible from the immediate control of the Government and of Parliament" and it "is in their case chiefly that . . . difficulties have arisen in obtaining information about their activities." The Clerk of the House presented the Committee with a memorandum, which is printed as an Appendix to the Report, from which it appears that these difficulties have arisen partly from the nature of the public corporation and partly as a result of Government policy in conjunction with the ordinary practice of the House about Questions to Ministers.

Under existing statutes the "public corporations which control the Nationalised Industries" differ "from the usual civil departments" and are established "as separate legal entities having full responsibility for day-to-day administration." By statute ministerial responsibility is limited to a definite list of duties which may be roughly classified as:

"(a) giving to the Board directions of a general character as to the exercise and performance by the Board of their functions in relation to matters appearing to the Minister to affect the national interest;

"(b) procuring information on any point from the Board;

"(c) a number of specific duties in connection with the appointments, salaries and conditions of service of members of Boards; pro-

grammes of research and development, and of education and training; borrowing by Boards; forms of accounts and audits; annual reports; pensions schemes and compensation for displacement; and the appointment of Consumers' Councils, their organisation and operation."

Under these headings Questions to Ministers are limited by two general rules derived from the practice of the House. In the summarised versions in Erskine May's *Parliamentary Practice*, Rule 22 prohibits Questions "raising matters under the control of bodies or persons not responsible to the Government" and Rule 26 classes as inadmissible Questions "repeating in substance questions already answered or to which an answer has been refused." Under Rule 22 the Table Office is obliged to exclude from the Order Paper Questions about possible directions which are neither "of a general character" nor "required by the national interest." Rule 26 has been regarded as excluding not only the same Question in different terms, but also "whole categories of questions, the limits of which are determined by the officials who deal with Questions subject in all cases to the ruling of Mr. Speaker."

The stringency of Rule 26 was greatly increased by the policy announced by the Labour Government in December, 1947, which had the effect of virtually excluding any Question which might otherwise have been put on the Order Paper under heading (b) above. The Government realised that the full exercise by the Minister of his statutory powers to obtain information in answer to Questions would be inconsistent with the freedom in day-to-day administration expressly reserved to the corporation. The refusal of Ministers to supply information about matters outside their powers of action greatly enlarged the categories of Questions which the Table Office in future excluded from the Paper. This result was partially mitigated by the Speaker's decision in June, 1948, to admit Questions on "matters about which information has been previously refused," provided that in his opinion they were "of sufficient public importance to justify this concession."

The resolution of the conflict about Questions on matters of detail is supported by the evidence given to the Committee by the Chairmen of the Nationalised Transport, Electricity and Coal Industries. They were very willing to answer letters from Members, but regarded Questions to Ministers as an inappropriate method of obtaining information about the corporations and one which would inevitably foster ministerial interference in their affairs. Lord Citrine emphasised the difficulties which had been experienced in decentralising administration and in finding "people to take responsibility." Written and Oral Questions would be equally objectionable as they would have an equal chance of publicity in the Press.

The evidence received by the Committee about the B.B.C. shows that the Post Office disliked not knowing the whole circumstances of a case on which it was required to answer for the Corporation, whereas the latter resented any encroachment by the Postmaster-General on its independence. Questions on the Post Office were "an irksome addition to work," but were not otherwise objectionable to experienced civil servants.

Mr. Herbert Morrison confessed that he had a "sneaking ambition" to transfer the management of the gas and electricity industries from public

#### SELECT COMMITTEE ON NATIONALISED INDUSTRIES

corporations to State Departments, but the terms of reference of the Committee preclude it from recommending any statutory alterations and it is therefore content to notice "a strong desire in some quarters to make the Nationalised Industries as generally subject to Parliamentary Questions as the Post Office."

The Report criticises the suggestion that "questions now liable to be excluded should appear on the Order Paper" and that the Minister should bear the onus of refusing to answer them if necessary. This would risk creating the "worst possible situation . . . if the publicity resulting from the appearance of such Questions on the Order Paper had the effect of putting a check on initiative without adding any information." This danger still seems to be inherent in the Committee's final suggestion that "the present method of placing the onus of determining in the first place whether a Question . . . should be placed upon the Order Paper should not rest upon the Clerks at the Table. Where the identical Question, or the same Question in slightly different terms, has been previously asked, the Clerks at the Table are clearly obliged to refuse it. But in the case of questions which are not obviously matters of repetition or matters of detailed administration the questions should be allowed to appear on the Order Paper and the Minister would have to answer or refuse to answer on the floor of the House."

The Committee hopes in the future to consider other means of criticism and enquiry open to Members of Parliament, but at present it feels that under the existing law "questions on matters of detail in the Nationalised Industries are inappropriate." In reaching this decision the Committee clarifies the "basic feature of the Parliamentary Question (which) is that it is answered by the Minister ultimately responsible for the decisions about which he is questioned."

An additional recommendation that "the number of Questions which Members are permitted to set down for oral reply should be reduced from three to two on each day on which Questions may be asked" appears to exceed the sphere which the Committee was appointed to consider, but it is proffered as an alternative to the suggestion several times rejected in the House and by witnesses before this Committee that the Question Hour should be extended by a quarter of an hour.

G. GUTCH.

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#### *A Comment*

To the student of Public Administration, the first Report of the Select Committee on Nationalised Industries, summarised above, is rather disappointing. Its recommendations are so timid that one may well wonder whether its laborious journey through the evidence was really necessary. Perhaps there is some value in having an expression of opinion, from a body of Members widely differing in political views, to the effect that not a great deal is wrong with existing arrangements, but whether their unenthusiastic acceptance of the *status quo* (so carefully and non-committally phrased) is much more than a cover for their inability to devise adequate remedies for the grievances they were appointed to investigate is a matter of considerable doubt.

It is difficult to see how this particular Report could be much more satisfactory, for the Committee chose to hamstring itself by attempting a separate treatment of the Parliamentary Question, instead of beginning with a survey of all available methods of control. Time and time again, the evidence proves the unrealism of trying to come to conclusions about the role of Parliamentary Questions as such, without simultaneously considering other methods of control, actual and potential. Yet the members of the Select Committee, having taken a self-denying ordinance to "concentrate their first Report upon Questions to Ministers," felt themselves inhibited from pursuing these more general matters very far, with the result that they seem to be constantly on the edge of an enlightenment that never dawns.

The Evidence annexed to the Report, however, contains some passages of first-rate interest. The most important question before the Committee was whether the scope of Parliamentary Questions on nationalised industries could be widened without reducing the efficiency of the Public Corporation as a commercial concern. The three Public Corporation Chairmen examined, Lord Hurcomb, Lord Citrine, and Sir Hubert Houldsworth, naturally expressed something very near horror at the prospect of more detailed parliamentary inquisition into the behaviour of their organisations. This was to be expected, and the Chairmen's evidence produced few surprises, except possibly Lord Hurcomb's statement that not merely matters of day-to-day management but "the general conduct of the undertaking" should be exempt from Questions in the House of Commons (p. 59, Q. 535). (Does this explain the notoriously greater "stickiness" of Ministers of Transport as compared with Ministers of Fuel and Power?) Nor is there much of interest in Captain Crookshank's recantation (music, no doubt, to Mr. Herbert Morrison's ears) of his former opinion that the Minister should freely give information about nationalised industries at Question Time (p. 78, Q. 715). The real surprise comes to those who have regarded Mr. Morrison as the archpriest of orthodoxy on the subject of the Public Corporation. His confession of a "sneaking ambition" to transfer gas and electricity from public corporations to state departments (p. 89, Q. 778; p. 95, Q. 830), and thereby, presumably, open the floodgates to "meticulous" parliamentary questioning, consorts strangely with Lord Citrine's view that to allow such questioning would "definitely" be "something in the nature of a major disaster" (p. 113, Q. 995). We also catch Mr. Morrison half-admitting that the "frightening" of administrators by Parliamentary Questions may be less serious in the railways than in other nationalised industries. The railway companies, he says, "have been mixed up with Parliament very much ever since they existed . . . and therefore it is quite conceivable that the railway people may get on with the Parliamentary institution more easily than the coal men" (p. 90, Q. 787). If gas and electricity may be departmentalised without disaster, and the railways are not likely to be over-worried by parliamentary questioning, what has become of the general point about the need for safeguarding a corporation's independence? It now applies mainly to Coal and to Iron and Steel, industries where the "commercial" element is presumably very strong and administrators are therefore very shy about having their operations "exposed" on the floor

of the House of Commons. Iron and Steel was not discussed by this tactful Select Committee. Coal, of course, was discussed on the evidence of Sir Hubert Houldsworth, who hoped for as few Parliamentary Questions as possible until the industry could be "regarded as completely non-political" (p. 118, Q. 1040). Yet Mr. Noel-Baker, a former Minister of Fuel and Power, made no exception in favour of the Coal Industry when he said that, as Minister, he had found Questions "not hampering" but "valuable as a means of securing improvement" (p. 81, Q. 730). When all this is taken in conjunction with the fact, of which the Report provides statistical evidence, that the scope of questioning was wider and the number of questions greater before nationalisation than after, even if we omit from consideration the period of the Second World War, when Ministers were responsible for practically everything (see Appendix D, and p. 14, Q. 132; pp. 38-39, Qs. 349-350), the dogmatism of Lord Citrine, Lord Hurcomb and Sir Hubert Houldsworth seems singularly out of place.

In a previous article on Parliamentary Questions, I said that the alleged loss of industrial efficiency that would follow the sweeping away of existing limitations was "not proven" (PUBLIC ADMINISTRATION, Spring, 1951). The Select Committee's evidence has fortified me in this belief, if in no other. Mr. Noel-Baker described the whole problem of the effect of questioning on "the initiative of people on the perimeter" as "very obscure" (P. 81, Q. 733). It is certainly no less obscure as a result of this Report.

Two other points deserve notice. First, the light shed by the Evidence on the role of the Table and of the Speaker. Mr. Gordon, Second Clerk-Assistant, gave valuable illustrations of the difficulty experienced by the Clerks in distinguishing matters of policy from matters of day-to-day interest. The Speaker seems to be in no less of a quandary when border-line cases are referred to him. On what principle did he decide, one may wonder, that a Question about pit closures in Lanarkshire might be allowed, while one about the alleged practice by the Road Haulage Executive of refusing employment in one branch to a man who had given notice in another branch must be rejected? (p. 16, Q. 148). Precedents are in the course of being established, but their foundations do not appear to be particularly solid. One curious effect of the new position, since nationalisation, is to be found in the helpful efforts of the Table to "make" Questions for Members who, unaided, cannot find phraseology that will penetrate the meshes of rule and precedent.

The second point is one of minor historical interest in respect of parliamentary procedure. When the Conservative succeeded the Labour Government in 1950, the policy of the Labour Ministers in refusing to seek information from the nationalised industries for the benefit of parliamentary questioners automatically lapsed, and consequently, for ten days or so, the Table was prepared to let through on to the Order Paper any Question asking for such information. Few Members, however, realised that this opportunity existed before the door was closed again by Captain Crookshank's announcement that, pending enquiry, the policy of the previous government on this matter would be continued. (See p. 17, Q. 164; p. 25, Q. 233.) What a pity it is that Captain Crookshank did not mobilise all the courage of his former

convictions to prolong this ten days' interregnum! Little harm could have been done, and the Select Committee would have been provided with evidence on the effect of parliamentary questioning far more conclusive than the unsupported statements of the three Chairmen.

A. H. HANSON.

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### *A Second View*

The Select Committee's Report is an essay on the theme "You cannot have your cake and eat it." The Statutes provide, in effect, that the Boards of the nationalised industries shall be free to manage them and frame their policies, subject only to Ministerial direction on general matters touching the national interest. Either the Statutes are to be amended or they are not; if not, Ministers cannot be answerable for matters either of day-to-day administration or even of industrial policy outside the scope of Ministerial direction.

This is almost to underline the obvious, but not quite. For one is tempted to think that there is a third choice: that Ministers could explain the business decisions of the Boards in the House of Commons without themselves incurring any responsibility. Thus the Minister could be an impartial critic of the Boards and could stand in the same relation to them as the Comptroller and Auditor-General does to Government Departments. The Report and the accompanying evidence, however, show up the weakness of this line of reasoning. If a Minister gave a Board's explanation to the House of Commons and the House were dissatisfied, the Minister might be pressed to convey their dissatisfaction to the Board. If the Minister publicly agreed it would probably involve friction between him and the Board and, possibly, resignations. If he wanted to disagree he would have to be sure that the Board's case was one that could be sustained. That would mean inquiries of the Board and discussions with them before the Questions were answered and, on occasions, the Minister would in self-defence seek to influence the Boards to modify their decisions. Gradually, therefore, he and not the Boards would become the real managers of the industry. The sense of responsibility of the Boards would be weakened, in particular, their important responsibility to keep their expenditure within their revenue. Neither they nor the Minister could allow the large measure of delegation to subordinate units that is possible today. For good or ill, there would be much more centralisation. In the end a Board would come to occupy the same position in relation to a Minister as do at present, say, the Army Council or the Commissioners of Customs and Excise. The industries would be Government Departments in all but name.

It is not surprising, therefore, that the Select Committee were unable to recommend a change so much against the intentions of Parliament as expressed in the Statutes; and there is impressive unanimity between the Committee, with strong representation of Back Benchers, and all the witnesses, including Ministers and former Ministers, former Civil Servants, House of Commons' officials and Board chairmen. Mr. Hanson expresses a dissenting view, in his stimulating comment above, and is struck by what he calls the dogmatism of the Board chairmen. It may be fair to add that their evidence



was corroborated by the other witnesses. Moreover, the problem is not really new. The B.B.C., the L.P.T.B. and the Central Electricity Board were all operating as public corporations before the war, and three of the witnesses had direct experience of the relations between Ministers and the corporations then. The Board chairmen of today speak from experience of their industries and their dogmatism could come near to pragmatism.

Mr. Hanson criticises the Committee for not reviewing the methods of Parliamentary control in general before they reported on Parliamentary questions. The Committee, however, were debarred by their terms of reference from considering changes in the Statutes. For the rest, they recognised explicitly that within the Statutes methods of Parliamentary control, other than Parliamentary Questions, remained to be considered; but within the Statutes they must have known that their recommendations about Parliamentary Questions could not be affected by later studies. They did, in passing, hear evidence about one alternative means of public control, namely, correspondence between M.P.s and Board chairmen. The Report and the evidence bring out clearly what an important feature of administration this has become. There are other possible methods, e.g., periodical inquiries by independent committees modelled on those which have inquired in the past into the B.B.C., but the Select Committee no doubt judged that the House was most closely interested in Parliamentary Questions and perhaps did not think it right to hold up their Report until they had made wider inquiries.

Be that as it may, there is underlying Mr. Hanson's comments the bigger question whether, notwithstanding the Select Committee's terms of reference, the Statutes should be amended where they limit Ministers' responsibility to "matters of a general character" impinging on the "national interest." Could Ministers' powers be extended without destroying the independence of the Boards? To make Ministers answerable for policy and the Boards for details of management looks like a safe middle course. But details of administration are, or should be, dealt with not by the Boards but by local managements, and in the eyes of the Boards nearly every question with which they deal is one of industrial policy. Thus to make a Minister responsible for policy would be to supersede the Board by the Minister. There is no half-way house. The Boards can run their concerns as independent businesses as at present, or they can virtually become Government Departments. It comes back all the time to this one choice.

The choice itself is not a simple one of black and white. To argue, as some do, that Civil Service methods are necessarily inefficient, or, as others do, that the nation's business is far too serious to be left to the businessman is controversy at the level of the slogan. Yet it is a fact that for some time to come most of the managerial posts in the nationalised industries will be filled by men trained in the world of business, many of whom would find it hard to adapt themselves to the different standards and techniques of the Civil Service. This point is made in the evidence before the Committee. But even assuming, as Mr. Hanson implies, that—despite or even because of greater centralisation—the industries could be run at least as efficiently and flexibly by Government Departments as by independent boards, the

transition would still involve disadvantages. The whole Government machine, including Parliament, is under heavy strain already. Hence the proposal of the Select Committee to cut down the Members' ration of oral Questions from three to two. It would be a serious thing to add to Government a burdensome responsibility for direct administration of the nation's basic industries. Financial discipline in the industries would probably suffer from the change. Even if the new Statutes distinguished between the industries' funds and the Exchequer's purse, the distinction would not be easily understood. The Ministers put in direct charge of the industries would probably have an uncomfortable time resisting pressures from groups representing classes of users or classes of workers: but if they yielded the door would be open wide to subsidies on an increasing scale of industries by taxpayers. And if the Government became the employer of the workers in basic industries, there would be a danger that questions about wages and conditions of work would be bedevilled by politics.

The advantage of changing over to administration by Government Department is that it would automatically give more control and accountability and no doubt, in our empirical way, we should discover how to mitigate some of the disadvantages. Few institutions turn out to be completely unworkable, and in the last resort the choice must be a matter of political judgment depending above all else on the character of the industry and the balance that is struck at the time between the conflicting needs of business independence and public accountability. But this is going beyond the Select Committee's Report and the Committee can hardly be blamed for not exploring an alley that was certainly outside their terms of reference and may or may not be blind.

A. N. OTHER.

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#### GWILYM GIBBON RESEARCH FELLOWSHIP

**N**UFFIELD College propose to elect a Gwilym Gibbon Research Fellow for one year in the first instance with the possibility of a further year. The Fellow will be required to devote his time to research into a problem of government. Preference will be given to candidates with experience in the public service. Applications should reach the Warden by May 20th. Application forms and further particulars can be obtained from the Warden, Nuffield College, Oxford.

## Technical Assistance in Public Administration

By F. J. TICKNER, C.B.E.

*Formerly Director of Training and Education in the British Treasury,  
Mr. Tickner is now assisting Dr. van Mook with the work of the Public  
Administration Division of the Technical Assistance Board of U.N.*

THE creation of the Public Administration Division of the Technical Assistance Administration of the United Nations is in itself a recent development, but proposals for training in public administration on an international basis were first made some years ago. In December 1948 the General Assembly adopted a resolution (246 III) which established a programme to meet "the need for international facilities which will provide adequate administrative training for an increasing number of candidates of proved ability recruited on a wide geographical basis, but mainly from the countries in greatest need of access to the principles, procedures, and methods of modern administration."

The idea of an international training centre in public administration, which might have been one means of interpreting these wishes of the General Assembly, has not materialised; instead technical assistance in public administration is given to countries which invite it in the same way as technical assistance in the more material and technical field. Indeed, the former may follow the latter; a country planning to implement a technical project may need advice in the creation or the review of the organisation necessary to carry it out.

Thus assistance in public administration is following the normal pattern of Technical Assistance. Experts are sent by the United Nations at the request of the governments concerned to explore, to investigate, to report and to advise; and when their advice has matured into a scheme or a project, accepted by the government, they or others may, and usually will, help in the execution of what has been planned. Always the initiative lies with the home government to make sure, before accepting the expert's advice, that it suits the conditions of the country. When a scheme has been agreed upon and is being put into execution, technical assistance from the United Nations is for a limited period and in due time the expert advisers withdraw, leaving the mechanism and the organisation which has been created as an integral part of the domestic arrangements of the country concerned. The period depends, of course, on the nature of the project, and in case it requires continued assistance for a number of years, a succession of experts may serve in one post.

The Public Administration Division has been operating for a comparatively short time and in relatively unexplored territory. Some of its projects may therefore at first sight seem ambitious. Probably its most important achievement so far has been the creation, in collaboration with the Brazilian government, of a School of Public Administration at the Getulio Vargas Foundation in Rio de Janeiro. The Directorship of the Institute is a Brazilian appointment, but for some years the United Nations will provide a number of the teaching faculty and in this way the Institute will secure the services of authorities of international reputation. The United Nations are also providing fellowships held in countries outside Brazil, to enable future members of the

teaching staff to enlarge their experience. The Brazilian government provides facilities for students from other Latin American countries to attend the Institute.

Plans are also well under way for a similar Institute in Ankara, sponsored jointly by the United Nations, the Turkish Government and the Faculty of Political Science at Ankara University. In time this Institute may become a centre of training in public administration not only for Turkey but also for countries of the Middle East and the Eastern Mediterranean. Plans are already in hand for a third Institute of Public Administration, to serve Central America; and experts have been sent on exploratory missions to Haiti and Israel.

The Public Administration Division sponsors more specific training projects, such as, for example, courses in governmental accounting to be held in Libya and conferences on administrative subjects, of which the first under its auspices was held in El Salvador. The programme for 1953 will probably include a conference on Present Needs in Public Administration in Turkey and the countries of the Middle East, to be held in Istanbul; a conference on Land Taxation and Land Administration in South East Asia, and a Budgetary Management conference in Latin America; the two latter will be organised in collaboration with the Fiscal Division of the Department of Economic Affairs.

Although technical assistance through training is considered one of the most effective means of improving public administration in the long run, the cases in which direct help is asked and given for organisational improvements are increasing. Expert advisers have been or are being assigned to such widely scattered areas as Panama, Ecuador, Nicaragua, Paraguay, Liberia, Jordan and Burma.

The United Nations programme of fellowships and scholarships offers an admirable means of supplementing these activities by giving more personal opportunities of study and experience to individual members of the administrative departments and other organs of government of the countries concerned.

The United Nations has thus for the first time attempted to apply the experience of one country in public administration to the needs of another. Studies in public administration have in the past been undertaken in a number of countries, usually for domestic application, either at a university or in departments of central or local government. Experience is only gradually being obtained of the possibility of applying techniques and methods in the different setting of another country, often of another continent. The results are encouraging but the difficulties are considerable.

No systematic bibliography as yet exists on the subject; its compilation is an early necessity. No journal, or other means of disseminating information about what is being done, is at present being published, but a first effort in this direction may be made in the near future. No information is available on an international scale of the educational institutions which offer courses in public administration or of the institutes devoted to its advancement. The collection and dissemination of information of this character will be as important a phase of the Division's work as its activities in the field; and as an organised body of knowledge is thus created it will be increasingly possible to advise and assist governments, either directly or through the counsel of visiting experts, in problems of public administration.

## Local Advisory Committees

By ENID M. HARRISON

*Miss Harrison, of the Department of Government and Administration, University of Manchester, surveys the development and usefulness of Local Advisory Committees.*

**D**URING the last forty years central government departments have played a direct and increasingly large part in local administration. We have become familiar with their numerous "outstationed" offices which distribute our ration books, pay our insurance benefits and advise us about our jobs. One feature of this development has received little attention; that is, the extensive use which has been made of local advisory committees.

Local advisory committees, consisting of persons drawn from various sections of the local community, are associated with most of the local offices of central government departments. In the North Western Region alone there are some 250 committees with a total membership of between four and five thousand. They meet regularly, either quarterly or monthly, and some have sub-committees which meet weekly. L. Hagestadt in the Autumn 1952 issue of this Journal has described some of the factors which make for success in running a local advisory committee. The time and energy devoted to these committees prompts us to raise the more fundamental question, what purpose do these committees really serve? Do they make the local administration of central government departments in some way more "democratic"? Or are their functions more specific? Are the committees relics of some earlier form of administration, or have they some real value in modern administration?

### *Distribution and Membership*

There are at least six sets of local advisory committees in existence today. There are the Local Employment Committees of the Ministry of Labour, set up to give "advice and assistance" in the management of the Employment Exchanges. There are the Youth Employment Committees of the same Ministry, which assist in the administration of the Youth Employment Service. There are Post Office Advisory Committees, which advise the Post Office on telephone, telegraph and postal services. There are War Pensions Committees, Local Advisory Committees of the National Assistance Board, Disablement Advisory Committees of the Ministry of Labour, and Local Advisory Committees of the Ministry of National Insurance, all advising their respective departments on the services they administer. In addition, there are certain executive committees, such as Food Control Committees, whose function seems to be much the same as that of advisory committees; and there are a number of regional, as distinct from local, committees, such as the Regional Boards for Industry.

Post Office Committees exist only in the larger commercial centres, but all the other sets of committees are organised to cover the whole country. Their distribution varies between different government departments, and

their areas are not coincident, as a rule, with Local Authority areas. In the North-West, there are fifty-seven Local Employment Committees, forty-nine Disablement Advisory Committees, and thirty-five Local Advisory Committees of the Ministry of National Insurance. The National Assistance Board has only eight Local Advisory Committees in the Region, but most of their work is done by area sub-committees, distributed throughout the Region. The Ministry of Food, whose committees are based on Local Authority areas, including some combined areas, has sixty-two Food Control Committees in the Region. (All the figures relate to 1951.)

The committees vary in size. Some of those in the North-West have as few as fourteen members, others have forty or fifty. Most committees are constituted so as to reflect the views of sectional interests. In addition, some committees include representatives of social service organisations, and most committees contain representatives of Local Authorities and a number of members with no specific loyalties. The sectional interests to be represented are specified by Act of Parliament. Thus, each Local Employment Committee consists of an "Employers' Panel," a "Workers' Panel," and an "Additional Members' Panel." Youth Employment Committees consist of representatives of the Local Education Authority, teachers' representatives, representatives of employers and workers, and a number of other persons interested in the problems of youth. War Pensions Committees consist of representatives of disabled ex-servicemen, representatives of pensioned dependents of deceased servicemen, Local Authority representatives, representatives of employers and workers, representatives of voluntary associations for the care of ex-servicemen and their families, and a number of "Other Persons." The Local Advisory Committees of the National Assistance Board consist of representatives of Local Authorities, representatives of employers and workers, and representatives of numerous social service organisations. Disablement Advisory Committees consist of employers' and workers' representatives and "Additional Members." The Local Advisory Committees of the Ministry of National Insurance consist of representatives of employers and workers, Local Authority representatives, representatives of Friendly Societies, and "Other Persons."

Most of the members are nominated by organised bodies. Workers' representatives are nominated, usually separately for each type of committee, by Trades Councils or Trade Unions, employers' representatives by Chambers of Commerce and such bodies as the National Union of Manufacturers and the Engineering and Allied Employers' Association, and the representatives of social service organisations by the British Legion, the Soldiers', Sailors' and Airmen's Families Association, the Family Welfare Association, the British Red Cross Society, local Councils of Social Service and many other organisations. Local Authority representatives are nominated by the appropriate Local Authorities and are usually Councillors. The "Additional Members" and "Other Persons" are not, as a rule, nominees of any organisation, but are selected by the responsible Minister on account of their knowledge and local standing. Departmental officials are not usually members of the committees, but they attend meetings. In most cases, the nominations are made by the local branches of the appropriate organisations,



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and the appointments are made by the regional officer of the department concerned.

Within the limits of the statute, the selection of the organisations to be represented rests with the responsible Minister. He is also responsible for choosing the persons to be appointed from among the names put forward, and the appointees are made in his name. With the exception of Local Authority nominees,<sup>1</sup> the members are not "representatives" in the ordinary sense; they are appointed in their individual capacity, as well-informed persons who can assist the Minister with their special knowledge of the needs and outlook of certain sections of the community. They are not answerable to their nominating bodies, nor are they expected to be spokesmen for them. They are consultants appointed by the Minister to assist his local officials, rather than "representatives."

Each committee is usually associated with a local office of the responsible Ministry. The committee depends upon that office for secretarial services and the calling of meetings, its function is to advise the local officials, and they constitute its only channel of communication with the department. But there are exceptions. The Ministry of Pensions once had local offices but they no longer exist, so that War Pensions Committees are an advisory organisation on the local level to which there is no corresponding executive organisation. These committees are served by officials from the regional or district offices. One or two members of War Pensions Committees and Youth Employment Committees, and the Chairmen of Regional Boards for Industry, sit on central advisory bodies, and so are in direct contact with the respective Ministers and headquarters officials. The membership of the Regional Boards also departs from the usual pattern, for the Boards are joint committees of officials and representatives of organised interests.

### *History of Committees*

The setting up of most local advisory committees is prescribed by Parliament, in the Act which provides for the establishment of the service with which the committees are to be associated. The committees' duties are usually laid down in general terms only, as, for example, to give "advice and assistance" to the Minister in carrying out his functions under the Act. Sometimes a more detailed account of their duties follows, sometimes not. To understand the part which the committees play in local administration, therefore, we must examine the circumstances which led to their establishment and the work they have done.

For this purpose, the most important period was from about 1908 to about 1922. It was then that the idea of the local advisory committee took shape, and it became a popular administrative "gadger." Of the committees described here, Local Employment Committees, Youth Employment Committees, Post Office Committees and War Pensions Committees were first set up during that period, and the remaining committees, which were established later, seem to have been modelled on these earlier committees.

*Local Employment Committees.* The prototypes of Local Employment Committees, Advisory Trade Committees, were set up in 1910 by the Labour

Department of the Board of Trade, mainly to allay suspicion of the new Employment Exchange service. They were intended to be "the great guarantee for the impartiality of the Labour Exchanges" as between capital and labour, and to "give strength and popularity" to the Exchange service.<sup>2</sup> They were to serve as local sponsors, vouching for the industrial neutrality and the efficiency of the new service. But there seems to have been an additional reason for setting up the committees. There was a belief in some quarters that the Exchanges should be run by local management committees; that was the way that the handful of existing Exchanges, set up under the Unemployed Workmen Act, were run.<sup>3</sup> The establishment of Advisory Trade Committees seems to have been, in part, a concession to this view. But Advisory Trade Committees, unlike the Distress Committees which ran the earlier Exchanges, had no executive powers.

When the Employment Exchanges were taken over in 1916 by the newly formed Ministry of Labour, Advisory Trade Committees were reformed and re-named Local Employment Committees. It had been found that local officials tended to hold themselves aloof from the communities they served. They were inclined to regard themselves as a special race of beings representing a superior, and remote, authority, and this attitude created a psychological barrier between the officials and their public. The new committees were intended to break down the barrier, by bringing officials and representatives of the public into an informal and co-operative relationship. The committees were put on a more local basis and their membership was enlarged.

Local Employment Committees were used for a number of purposes. During their most active period, immediately after the First World War, they interviewed and advised unemployed ex-servicemen and tried to find openings for them with local employers. Committee members often had a good deal of personal influence with employers, to whose ranks many belonged, and they used this influence on behalf of the men they interviewed. Their work was a kind of organised "graft" carried on with official blessing.

During the 'twenties, the committees interviewed applicants for Un-covenanted and Extended Benefit, types of Unemployment Insurance Benefit which were paid largely at the discretion of local officials. The local committee advised the official whether the applicant would suffer hardship if benefit were withheld, and in most cases the committee's advice governed the official's decision.

During the 'thirties, the committees helped to disseminate information among the public about the employment service and the industrial transfer scheme; they were, for the Ministry of Labour, a supplementary source of information about unemployment; and they reinforced the Ministry's efforts to persuade Local Authorities to establish relief works. Today, the committees seem to be largely a forum for disseminating information about the department's employment policy.

An interesting feature of the history of Local Employment Committees is that, in the early 'twenties, they were associated with the movement for decentralisation which followed the First World War. It was suggested, both by officials and by other interested people, that the control of the Employment Exchanges should be delegated, wholly or in part, to the

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committees.<sup>4</sup> There was no clear idea how control by the committees could be reconciled with Ministerial responsibility or with centralised finance, and the movement for delegation foundered. Had it succeeded, a form of administration might have emerged similar to the administration of the hospitals by Hospital Management Committees today. As it was, a confused idea lingered that the committees, in virtue of their advisory function, might somehow exercise a "controlling influence" over the local administration of the Ministry of Labour. In this way, it was thought, administration by a central government department could be combined with a kind of informal local control.

*Youth Employment Committees.* Youth Employment Committees were first set up by the Labour Department of the Board of Trade in 1910, under the title "Juvenile Advisory Committees." Like Advisory Trade Committees, they passed to the Ministry of Labour in 1916. Recently, with the transfer of the Youth Employment Service to Local Authority administration in many areas, many of the committees have been superseded by Local Authority committees. The remainder have been renamed "Youth Employment Committees."

The task originally envisaged for these committees was to advise young workers about the choice of a job. In 1910 it was thought that the giving of vocational advice was incompatible with the neutrality which officials of government departments should observe, and it was believed, therefore, that the advisory side of the Juvenile Employment Service (as it was then called) could only be carried out by independent committees acting on the Minister's behalf. The committees interviewed and advised school-leavers, committee members met young workers informally at "open evenings" and advised those who wanted to change their jobs, and they gave talks about careers at schools and "open evenings." The actual selection of vacancies and the submission of boys and girls for them were done by officials.

In the course of time, the advisory work done by Juvenile Advisory Committees passed almost entirely to officials. The committees gradually became restricted to their second function, that of "advising" the officials, that is, keeping them in touch with educationalists and industrialists in their areas and spreading information about the Minister's policy. This is the main function of the present Youth Employment Committees.

*Post Office Committees.* Post Office Committees were set up in 1912. They were set up on the invitation of the Postmaster General, but, unlike other local advisory committees, they are really special committees of Chambers of Commerce or similar independent organisations. Their constitution and membership are left to the discretion of the responsible local body. Their function is to keep the local Head Post Office informed of the needs of the commercial community.

Post Office Committees have shown little sign of life. They meet annually, and they hear the local Head Postmaster's report on services in the area and his plans for the future. But they are not the normal channel for complaints and enquiries; these are usually sent direct to the Post Office. Nor does the Postmaster rely upon the committees for information about

the future postal needs of the community ; he can usually obtain this more quickly from the Local Authority.

*War Pensions Committees.* The original War Pensions Committees were executive committees. In 1915, an autonomous organisation was set up by Act of Parliament, consisting of Local War Pensions Committees and a central body, the Statutory Committee of the Royal Patriotic Fund Corporation. This organisation administered, for the benefit of servicemen, funds derived partly from Treasury grants and partly from voluntary contributions. Soon, however, it became dependent almost entirely on Treasury grants and the local committees grew extravagant and irresponsible. In 1921 the Ministry of Pensions took over the administration and set up its own local offices to do the executive work, retaining the local committees in an advisory capacity.

The advisory committees served partly as a substitute for a Pensions Tribunal. A Tribunal had been established in 1919 to decide disputed claims to war pensions, but it soon fell into desuetude, and disputes (other than those which were considered by the medical boards) were referred to the War Pensions Committees for a recommendation. The committees also investigated applications for supplementary aid, a form of assistance which was derived partly from voluntary contributions, and advised the Minister whether to make or withhold a grant. In both types of case, the Minister generally accepted the committees' recommendations.

During the 'twenties and early 'thirties the committees also gave a good deal of personal assistance to pensioners. Associated with the committees was a large army of voluntary workers, at one time 17,000 of them. They and the committee members visited pensioners in their homes and advised them about the allowances available, helped them to fill in forms, found occupations for the home-bound and performed a variety of personal services. Committee members also visited the war orphans for whom the Minister of Pensions was responsible and advised on their education.

For some years after their establishment, War Pensions Committees were very active. But the reconstitution of Pensions Tribunals in 1943, the improvement in rates of pension and in the social services generally, and the employment of paid Welfare Officers by the Ministry of Pensions, have now withdrawn a great deal of work from the committees. They still do some minor adjudication ; but their main value, now that the Ministry has no local offices, is perhaps that they provide a link between each local community and the rather remote regional or district office.

Among the more recently established committees, the Local Advisory Committees of the National Assistance Board were first set up in 1935 and 1936 by the Unemployment Assistance Board, Disablement Advisory Committees were set up in 1945, and the Local Advisory Committees of the Ministry of National Insurance in 1946.

*Assistance Board Committees.* During the first few years after their establishment, the Local Advisory Committees of the National Assistance Board (then the Unemployment Assistance Board) did an unusual piece of work. The Board was faced with two problems. First, it had to substitute

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its own allowances for the rather higher "standstill" allowances which had been paid during the transition from Local Authority administration to that of the Board, and which were still being paid in some cases. And secondly, it wanted to replace the standard rent allowance included in Unemployment Assistance by a flexible allowance which would vary according to the level of local rents. In both cases, the changes would mean reductions in allowances, and this was likely to make the Board unpopular. The Board asked the committees to examine both rent allowances and standstill allowances and to suggest the scales which the Board should adopt. This the committees did, and nearly all the changes which the Board made were based on the scales recommended by the committees. In this way, the Board protected itself from criticism.

By the end of the 'thirties, however, the Board was using the committees mainly to advise on the handling of "problem cases," that is, cases in which there was some moral difficulty, cases in which the help of other social service organisations was needed, and the handling of the work-shy. Today, the committees are used largely to advise on the handling of the "hard core" of unemployable workpeople.

*Disablement Advisory Committees.* Disablement Advisory Committees are expected to advise the local officials generally on the administration of the Disabled Persons (Employment) Act. They have suggested a number of minor changes, and the Minister has adopted the suggestions. The changes include modifications in the lay-out of forms and the expressions used in the medical records, and a suggestion that Local Authorities might be asked voluntarily to increase their "quota" of disabled employees. Committee members have also given a good deal of informal publicity to the scheme for the employment of disabled persons.

But the bulk of the committees' work consists of examining applications for admission to the Register of Disabled Persons. The local official admits straightforward applications at his own discretion, but he refers all other cases to the local committee for a recommendation. Disputes over the application of certain other provisions of the Disabled Persons (Employment) Act are also referred to the committees, including all cases where the Minister proposes to prosecute an employer for failing to fulfill his obligations. In nearly all cases, the Minister accepts the committees' recommendations.

*National Insurance Committees.* The Local Advisory Committees of the Ministry of National Insurance are expected to advise on local administration and on any other matters which the Minister may refer to them. In practice, there appears to be little locally on which the committees can advise, for the insurance scheme is a standardised national one which permits of no local variations. But the Minister has referred certain general questions to the committees, such as the effect of staggered insurance years on beneficiaries and the benefits to be paid in respect of dependents. In addition, the committees are required to select the local organisations from which the Minister invites nominations for membership of the Local Appeal Boards, and to select from among the nominees the persons to be appointed.

*Place and Functions*

Two main factors appear to have led to the establishment of local advisory committees. The first was the prior existence of executive committees. When certain departments proposed to set up local services, they were faced with the existence of firmly entrenched local executive committees which were already administering the services in some areas. The Ministry of Pensions, in particular, had this difficulty, and so to some extent had the Labour Department of the Board of Trade. The establishment of the advisory committees seems to have been, in part, an attempt to propitiate these local bodies, to retain their good will and so ease the transition from one form of administration to another. The Ministry of Pensions, for instance, retained most of the members of the executive committees on its new advisory committees.

Again, when services are administered by local executive committees and the officers of the committees are Civil Servants, the committees sometimes decline into what are, in effect, advisory committees, though they retain executive powers. The committees' officers have a dual accountability, to the committees and to their employing departments, and in time the control of the employing departments ousts that of the committees. Food Control Committees have undergone this kind of transformation. The original committees, established during the First World War, were for a time in effective charge of food rationing in their areas. But the present committees, though they are in theory responsible for supervising the local administration of food rationing, are little more than advisory bodies to the local officials of the Ministry of Food. A similar fate seems to be in store for Agricultural Executive Committees.<sup>5</sup>

The second factor which led to the establishment of local advisory committees was the need to create confidence in new services administered locally by central government departments. This factor operated particularly during the formative period from 1908 to 1922. These new services, and the new form of local administration by central government departments, were sometimes viewed with suspicion. It was essential to get the local communities to accept the system as part of the local administrative set-up and to use the services. The departments hoped to achieve this partly by using the committees for informal publicity, and partly by giving the interested sections of the local communities a proprietary interest in the services and a feeling of participation in their management. Thus, Local Employment Committees participated in the interviewing and placing of ex-servicemen, they considered applications for the loan of Exchange premises by other organisations and they deliberated on the siting of new Exchanges. To some extent, the advisory committees were expected to take the place of the elected council in local self-government. In the course of time, the committees came to serve other purposes. Today, they have four main functions.

First, many committees serve as "quasi-tribunals." They consider applications from individuals for various kinds of benefits, and they make recommendations to the responsible officials which usually govern the officials' decisions. The questions at issue often relate to important statutory rights



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or obligations, and it may be asked why the cases are referred to these committees and not to independent tribunals. The answer seems to be that the cases arise in services which are experimental or of potential political importance, such as the employment service for disabled persons, so that the departments wish to keep close control over individual decisions. In addition, the cases are sometimes ones which do not call for judicial decision, in the sense of arbitration between conflicting claims or the application of case-law, but for some form of constructive advice, as in the cases which the National Assistance Board refers to its Local Advisory Committees. The committees, therefore, are sometimes a substitute for a tribunal, sometimes a cross between a tribunal and a case-committee. Their value is that they give an air of impartiality to the decisions and make them acceptable to the public without diminishing the direct responsibility of the Minister.

Secondly, the committees help to spread information about departmental policy. The manager of the local office explains to the committee, "off the record," the problems which his department is facing and the reasons for adopting one policy or another, and the members of the committee spread this information informally among their business and professional friends. The process is cheaper; and probably more effective, than commercial advertising.

Third, through the agency of the committees, the departments can provide supplementary services for their clients, services for which public funds are not available or which it would be inappropriate for officials to perform. In the past, an important service such as the provision of vocational advice for juveniles was provided in this way, and today, the system enables numerous small acts of private benevolence, such as helping a disabled man to get a car, to be associated with the public services.

Lastly, committee meetings give officials an opportunity to meet representatives of local organisations and to build up good personal relations with them, a process which is essential to the success of local administration. For this purpose, however, the committees were more important in the past than they are today, when officials make most of their personal contacts direct.

What local advisory committees do *not* do, is to advise, in the ordinary sense of the term. Their outlook is usually too narrow for them to advise on general policy, and administrative procedure is usually too standardised to give them much scope. Moreover, while they can and do draw attention to minor inconveniences suffered by the public, especially when a service is newly established, it is not easy for a committee of amateurs to appreciate the details of a department's internal administration and to advise usefully upon it.

There are certain other things which the committees seldom do, though they are sometimes credited with them. Generally speaking, the committees do not "keep the Minister informed" of local opinion and needs. Most departments rely for their information on national organisations in contact with the departments' headquarters; or else they obtain it from the local officials, who themselves obtain it in the course of informal contacts with leaders of the local community. The most that the local advisory committees do is to supplement information obtained from other sources.

The committees are not, generally, a means of co-ordination between different local services. The variety in the areas served by the different types of committee precludes this, and the membership is not planned so as to promote co-ordination. In practice, however, the membership of the different committees in each area overlaps a little, so that there may be some pooling of information. There has also been a movement recently to combine two sets of committees, the committees of the Ministry of National Insurance and those of the National Assistance Board, and if this takes place it may help to co-ordinate the two services.

The committees do not deal with complaints. The departments and the committees themselves have sometimes tried to canalise complaints through the committees. But they found that the public preferred to send its complaints to the local Member of Parliament or direct to the Minister responsible.

Nor do the committees provide the expert element in local administration. Few of the members are experts in any branch or service, though they may have long experience of dealing with certain kinds of problem. When a public service is first established and the officials are new to their work, this form of association with experienced laymen seems to have an educational value. But in the course of time, the officials themselves acquire considerable specialised knowledge and they cease to rely on outside assistance.

Does the use of the committees make the local administration of central government departments more "democratic"? Despite the non-responsible character and sectional basis of the committees, they might be regarded as a democratising element if they succeeded in making the local offices of central departments responsive to local pressure. But we have seen that their influence is slight. Several factors appear to account for this.

Such evidence as exists about the personnel of the committees suggests that the quality of the members is not high. Many of them appear to be "professional committee men," who sit on the same committee year in and year out. Appointments are usually for a period of three or four years, and then the committee is "reconstituted." But when the Ministry of Pensions reconstituted its committees in 1931, 92 per cent. of the existing members were re-appointed; and in 1936 the Ministry reported that "in very many instances" members had served since the First World War. When the Ministry of Labour first reconstituted its Disablement Advisory Committees it made a great effort to cut out "dead wood": if a member had proved ineffective, the Minister drew attention to his shortcomings when asking the nominating body for a further nomination. But in the event, the change of membership amounted to less than 25 per cent. Service on the committees offers few rewards: it receives little publicity, it does not satisfy the desire for power, and it contributes little to the social or professional advancement of the members. Consequently, the committees do not attract the ambitious type of man who is anxious to make his influence felt.

Secondly, committees usually meet in private. A statement is sometimes issued to the press afterwards, but it is not as a rule very informative. This makes it difficult for the committees to get the backing of popular feeling

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for any suggestions they put forward. And this weakness is the greater because the members are not elected and because they are not, strictly speaking, representatives of their nominating bodies and are not responsible to them.

Again, the committees are remote from the real centres of power in the departments. Local officials cannot, as a rule, accept the committees' suggestions on their own authority; they must refer them to a regional or headquarters office. Delay may occur before the outcome of a suggestion is known, and, in any case, the committee will be unable to argue face to face with the men who finally dispose of their suggestion. A local committee cannot exercise real influence unless the local officials have substantial discretionary power.

### *Conclusions of Survey*

As an experiment in combining central control and local influence, the committees have failed. Indeed, present-day officials seem unaware that the committees were ever intended to serve this purpose. Perhaps the failure of the committees in this respect holds a moral for modern administrators, for local advisory committees were constituted on much the same pattern and were intended to serve much the same purpose as the Consumers' Councils which are being set up today.

But the committees are not merely relics left over from an unsuccessful experiment. They have acquired a number of useful functions, which no other bodies exist to perform; in particular, they are an inexpensive form of publicity and they can be utilised as a convenient substitute for a set of tribunals. It seems that the departments deliberately preserve the committees in being, even when their functions are in abeyance, because they constitute a reserve of administrative machinery which can be brought into use to serve a variety of purposes as the need arises.

<sup>1</sup>Local Authority representatives are representatives in the ordinary sense. Their selection rests entirely with the Authority concerned, they are answerable to the Authority for the views they express, and, if they are Councillors, their membership of the committee lapses if they lose their seat on the Council. Other members of local advisory committees do not automatically forfeit their membership if they cease to belong to their nominating organisation.

<sup>2</sup>President of the Board of Trade, H.C. Deb., vol. VI, col. 1038, 16th June, 1909.

<sup>3</sup>The Royal Commission on the Poor Laws considered that "it would . . . be essential . . . that the Board of Trade officer should be assisted by an advisory committee consisting of employers, workmen and representatives of the Municipal or Local Authorities. There is a large consensus of opinion that the actual managing body of each Exchange should be a committee constituted on some such lines." (Report of the Royal Commission on the Poor Laws, Cd. 4499, Part VI, para. 507.)

<sup>4</sup>See the Minutes of Evidence before the Committee of Enquiry into the Work of the Employment Exchanges, especially the evidence of Beveridge, Llewellyn Smith, Urquhart and Wethered. (Cmd. 1140, 1921.)

<sup>5</sup>See the "Ryan Report" on the Organisation of the Ministry of Agriculture and Fisheries, H.M.S.O., 1951.

## Some Private Secretaries in the Eighteenth Century

By ALICE CARTER

*Mrs. Carter is an Assistant Lecturer in History at the London School  
of Economics and Political Science.*

HISTORY interposes a veil between the great man and his private secretary. The latter usually appears for posterity only as a differing (usually more legible) handwriting, an individual method of filing and endorsement, an occasional initial or signature. How he was recruited, where, and under what conditions, he worked, and what was expected of him, remain to a large extent a mystery.

One thing is clear by mid-eighteenth century; there must have been more cheap literate clerical workers than is commonly supposed. The increasing complexity of official business, and sheer growth in bulk of public and private records, show that employers must have been demanding a high standard of intelligence, method and accuracy from their clerical staff. From the fact that business, both political and private, was still predominantly conducted on personal lines, and that "influence" and "connection" still played a great part in affairs, it is reasonable to suppose that private secretaries of great men were liable to find themselves sought after and sorely tempted.

This may have been so particularly in the Republic of the United Provinces, where effective government was carried on by means of a series of committees, integrated by high officials who wielded great influence, either because of outstanding personality or ability, or because of their *ex-officio* powers. Among the papers of one of the most important of these officials, at a time when party strife in the Republic was acute, there are four memoranda, or *Instructies*, of the terms on which successive private secretaries were appointed. I am indebted to the archivist and staff at the Town Archives at The Hague, who were kind enough to trace for me the personal particulars given about the different secretaries.

The official was the Council Pensionary of Holland, Pieter Steyn, who held that post from 1749 until his death in 1772. Steyn came from a rich burgher family and, like so many of his class, received a legal training and then held town office until, at the age of around 40, he was chosen by William IV of Orange to be Council Pensionary. Holland was the greatest of the Seven United Provinces of the Dutch Republic. This is not the place to describe the peculiar administration of that most undemocratic democracy. Suffice it to say that the Council Pensionary, although a permanent official of the States or Parliament of Holland, was virtually the Foreign Minister of the Dutch Republic.

In 1749 the Republic emerged, under the stresses of the Austrian Succession War and French occupation, from the second Stadtholderless regime, and power was seized by the House of Orange, as it had been in 1672, from the hands of the Regents' party. Steyn, though a Regent by training and

family traditions, thus found himself the chosen official of the new Stadtholder. William IV was not only Stadtholder of all seven provinces (even in its heyday under William III the House of Orange had never before succeeded in engrossing more than five of the separate provincial offices into one hand), but he had his position made hereditary, so that on his untimely death in 1751, his son automatically succeeded him as William V, although only a young child. The guardianship was in the hands of the English widow of William IV, a daughter of George II, and not one of the most remarkable of the Hanoverian women. Assisting her, in domestic as well as in foreign affairs, was an informal "Conference" of high officials, among them Steyn.

While these officials united to retain the Stadtholderian party in power, all went smoothly. But by 1755 the Anglophile sentiments and tradition of this party, reviving Republicanism fanned by the French, and the indeterminate character and inaccessibility of the Princess, combined to create strong tensions in the United Provinces. The Pensionary found that his official obligations to the increasingly Republican States of Holland, whose chief functions he exercised, and also perhaps his own Regent and Republican background, drew him further and further from the Stadtholder's party. Naturally, in all the difficulties of his situation, it was essential that he should be able to rely on the absolute discretion of his private secretaries. We may owe to the difficulties in which the Pensionary found himself as a result of divided loyalties, the survival, in successive letter books, of the memoranda relating to the appointment of his secretaries.

The first of these documents is dated 2nd August, 1749, and is signed by F. de la Fosse. A Fredericus de la Fosse, secretary to the late Council Pensionary, died unmarried in May, 1791, at the age of 70. If this is the same de la Fosse, and there seems no reason to doubt it, he must have entered the Pensionary's service at the age of 28. It has not been possible to trace where he came from or how he became Steyn's secretary. But he seems to have remained principal secretary throughout his master's tenure of office, because his handwriting reappears at intervals throughout the collection of papers until the Pensionary died in 1772.

The second *Instructie* is dated 18th September, 1755, and makes it clear that its signatory would for some months be under instruction from de la Fosse, during which time he was to draw only half-salary. It is signed by Jacobus Van Rijswijk, a fairly common name at the Hague during this period. A Jacob Van Rijswijk was an official of the Federal Treasury from 1759 to 1775, when he died at the age of 44. A "Jacobus Van Rijswijk" was married in May, 1760, and children of that marriage were baptised in 1763 and 1764. If the Treasury official "Jacob" was our "Jacobus," it seems he must have entered Steyn's service at the age of 24 and left it four years later for the service of the State. Steyn's letter books do, in fact, cease to show Van Rijswijk's characteristic handwriting soon after a new appointment was made in 1759, and the salary to be paid to Van Rijswijk was expressly stated to be that which was considered suitable for a secretary in the service of the State. We seem to glimpse here the modern British system by which a Minister appoints as private secretary an Administrative Class civil servant, who holds the post for a year or two before promotion.

But perhaps Jacobus merely wanted to get married, and did not wish to remain in residence with the Pensionary (as we shall see, residence was a condition of the employment, and marriage terminated it automatically).

The third memorandum is signed in 1759 by Jacques Theodore de Masclarij, who appears to have been a young lawyer, baptised in that name in November, 1726, qualified in 1746 and buried in August, 1766. He would thus have been thirty-three on entering Steyn's service. The next *Instructie* signed by T. Eckhardt is dated October, 1766, and de Masclarij's hand ceases to appear after July, 1766. Two underlinings and an annotation in the *Instructie* signed by de Masclarij may be interpreted, as we shall see, to indicate discussions, such as a lawyer might indulge in, upon his terms of employment; and certain drafts of the memorandum for de Masclarij's successor point to a great interest taken personally in the matter, almost as if the Pensionary had suffered somewhat from de Masclarij. So that, although a lawyer of thirteen years' standing seems rather highly qualified for a subordinate post (and nowhere is there any indication that these secretaries exercised any influence on affairs), I think it probable that de Masclarij the lawyer was Steyn's secretary.

Humbert Wolfe, in a delightful essay on *Public Servants in Fiction*, distinguished two main types: "on the one hand a fool, jobbed in by criminal aunts, weakly vicious, and completely ignorant of the purpose and meaning of government; on the other, pale, wan and constant, the devoted Morlock, bent to the ground by domestic embarrassment and public injury, emerging from his deep underground pits where he labours in darkness, to tremble in the unfamiliar moonlight." We cannot say what manner of men were Steyn's private secretaries, but the terms by which they bound themselves suggest the latter rather than the former type.

#### *Terms of Appointment*

It will be convenient to consider the actual terms of the appointments under the headings of rewards, duties, conditions and security regulations. The most obvious point that will strike a Principal Private Secretary to a present-day Minister in the United Kingdom is the absence of anything like a Whitley Council or a Trade Union.

The annual salary attached to the post of Secretary to Steyn was expressly stated to be 1,200 guilders, equivalent to perhaps £800 in purchasing power today and tax free, and it was expressly stated and agreed to that the recipient should in no circumstances and under no pretext whatever apply for an increase. All four of Steyn's secretaries were liable to instant dismissal without reason given or any payment in lieu of notice. In the first three memoranda, board and lodging, or in the Dutch phrase "dwelling, food and drink," was an additional emolument. Laundry, it appears, was not included, for it is stated that permission would periodically be given for the secretary to leave the house to cleanse himself. The word used conveys a sense almost of careening a ship to clean weed off her bottom. One supposes that these young men were allowed out every so often to obtain new clothes or a change of linen; perhaps "re-fit" would explain the matter best. The unfortunate Eckhardt, if the Pensionary did not wish to have him living



in the house, was not to receive any extra salary in lieu of his board and lodging.

The duties were (besides remaining always sober and dignified and fit to render every service required) to write or copy all that the Pensionary prescribed, whether it was official business or not, to keep all the Pensionary's books, documents and papers in order, and to replace them and produce them at once when required; the two last secretaries had to be able to inform enquirers where the Pensionary was to be found, and to leave an address for him whenever they went out. In de Masclarij's *Instructie* the words prescribing that *all the Pensionary's* papers, etc., were to be kept in order were underlined, at a later date; and the paragraph enjoining attention to the Pensionary's private affairs is underlined and annotated "dienst" (or "service") in Steyn's handwriting. It looks as if de Masclarij had raised objections to finding himself acting as filing and copy clerk for the Pensionary's strictly private business as well as for the whole machinery of the Republic's foreign service. The clause about always knowing where the Pensionary was to be found, and leaving that important information behind if the secretary went out, perhaps reflects a crisis in Van Rijswijk's time; party feeling ran very high in these years between 1755 and the death in 1759 of the English mother of William V.

Conditions of residence, which would be considered intolerable today, became more oppressive for each successive secretary. De la Fosse undertook not to depart from The Hague without permission, and to leave an address behind if he absented himself from the house on his private affairs. The others could not even leave the house without permission, although permission to go out for reasons of personal hygiene would normally be given. If de la Fosse were to marry, and to wish to reside away from the Pensionary's house, his appointment would terminate automatically. In fact, as we have seen, de la Fosse remained unmarried. De la Fosse was to receive no visitors in his room, and the others no visitors even at the house, without the Pensionary's knowledge and permission. The wretched Eckhardt was not even allowed to visit an inn or coffee house without leave. Presumably, once his predecessors had received permission to leave the house, this form of relaxation was allowed to them; and they may have abused the privilege. There certainly was a great deal of drunkenness in the Dutch Republic at this period, extending even to the organist of the English Reformed Church in Amsterdam and to elderly people maintained in the Orphan House there. Should Eckhardt be obliged, at the Pensionary's behest, to live away from the house, he was to arrive before 8 a.m. in the summer, or 8.30 in the winter, and to remain at work until everything was done.

Security regulations were stringent, and limited still further any personal liberty that remained after residence conditions had been complied with. Not only were no visitors allowed without permission. No gifts were to be received, or obligations incurred, or benefits accepted, without the knowledge of the Pensionary. At first this applied to all gifts from anyone. Subsequently parents and grandparents were permitted to make presents without an obligation on the recipient to inform his master. This is the only instance of the regulations being relaxed. No papers were to be taken out of the

house, even though not of a secret nature. Still less were their contents to be communicated to anyone at all; later this became "unless on the orders of the Pensionary." Van Rijswijk and his two successors were not to have any correspondence or even conversation with foreign ministers, their secretaries or servants resident at The Hague, and were to inform their master if such correspondence or conversation were suggested. There is, however, a proviso that such a correspondence must take place if ordered by the Pensionary. These clauses throw an interesting light on espionage and secret service methods of the day. It is a fact that at this period many of the letters sent by the French Ambassador to his court were being opened, copied and sent round to the more important Dutch officials. Eckhardt was forbidden to go to any place of public entertainment without permission. The security regulations, and the clause by which the employee recognised that he could be dismissed without notice, or reason given, or payment in lieu of notice, had to be copied out, specially sworn to and signed, and placed in the hands of the Grand Pensionary. Presumably, if these were then broken, the secretary would be liable to proceedings for perjury.

We have only to recall the incredulous surprise with which the public quoted the allegations of Sidney Stanley, or to re-read the meticulous account, rendered to Parliament, of the circumstances in which a young Civil Servant was considered justified in accepting a bottle of whisky, to realise how far away are the days in which his Continental forebear had to make a written declaration that he would not, without permission, receive presents from his cousins. We do not know whether Steyn was on the same easy terms with his secretaries that A. J. Balfour maintained with Sir Maurice Peterson as a young man, and which Sir Maurice describes in *Both Sides of the Curtain*. But on the evidence it appears unlikely. Steyn's secretaries seem to have been automata, as far as possible confined to relieving their master of the drudgery of his office, and the conditions binding them were so stringent that few further safeguards could have been devised. The Memoranda in the Steyn papers suggest that civil service traditions were in an early stage of their development two hundred years ago.

# The Public Service Commission in India

By SUKUMAR BASU, I.C.S.

*Mr. Basu is Chairman of the Public Service Commission of West Bengal. He wishes to make it clear that he alone is responsible for any opinion expressed in the article.*

THE emergence of the independent Public Service Commission, both at the Centre and in the States, is one of the high-lights of the Constitution of India, inaugurated in January, 1950. This article gives a brief survey of its genesis and development.

It is scarcely realised that the idea of a Public Service Commission in India was first mooted as recently as 1919 in the Despatch on the Indian Constitutional Reforms dated the 5th March. A relevant extract from it is given below :

In most of the Dominions where responsible Government has been established, the need has been felt of protecting the Public Services from political influence by the establishment of some permanent offices, primarily charged with the regulation of service matters. We are not prepared at present to develop the case fully for the establishment in India of a Public Service Commission, but we feel that the prospect that the services may come more and more under ministerial control affords strong ground for instituting such a body.

The following provision was made in the Government of India Act, 1919 :

There shall be established in India a Public Service Commission which shall discharge, in regard to recruitment and control of the public services in India, such functions as may be assigned thereto by Rules made by the Secretary of State in Council.

But the Public Service Commission was not set up immediately after the commencement of the Act.

In their report the Royal Commission on the Superior Civil Service in India under the Chairmanship of Viscount Lee of Farnham, made the following observations in 1924 :

Wherever democratic institutions exist, experience has shown that to secure an efficient Civil Service it is essential to protect it, so far as possible, from political or personal influences and to give it that position of stability and security which is vital to its successful working as the impartial and efficient instrument by which Governments, of whatever political complexion, may give effect to their policies. In countries where this principle has been neglected, and where the "spoils system" has taken its place, an inefficient and disorganised Civil Service has been the inevitable result and corruption has been rampant. In America, a Civil Service Commission has been constituted to control recruitment of the services, but, for the purposes of India, it is from the Dominions of the British Empire that more relevant and useful lessons can perhaps be drawn. Canada, Australia and South Africa now possess Public or

Civil Service Acts regulating the position and control of the Public Services and a common feature of them all is the constitution of a Public Service Commission, to which the duty of administering the Acts is entrusted. It was this need which the framers of the Government of India Act had in mind when they made provision in Section 96(c) for the establishment of a Public Service Commission to discharge "in regard to recruitment and control of the Public Services in India such functions as may be assigned thereto by rules made by the Secretary of State in Council" (Lee Commission Report, para. 24).

They also recommended that the statutory Public Service Commission contemplated by the Government of India Act, 1919, should be established without delay.

A Central Public Service Commission known as the "Public Service Commission, India" was set up in 1926 for the All-India and Higher Services. The Secretary of State for India in Council subsequently made a rule authorising the Madras Legislature to make laws for the establishment of a Commission to regulate the public services of the Presidency of Madras. The Madras Services Commission Act, 1929, set up such a Commission for the province of Madras. Punjab also passed similar legislation, but no Commission was set up there because of lack of finance.

The Simon Commission recommended the setting up of Service Commissions in all the provinces in order to relieve Ministers from the technical work of recruitment and to prevent them from being exposed to the charge (however ill-founded) of using their positions to promote family or communal interest at the expense of efficiency or just administration of the services. This recommendation was accepted by the British Government. The Government of India Act, 1935, provided for the establishment of Federal and Provincial Public Service Commissions. Provision was also made whereby the same Provincial Commission would be able to serve the needs of two or more provinces jointly, or alternatively, the Public Service Commission for the Federation, if requested so to do by the Governor of a Province, might with the approval of the Governor-General agree to serve all or any of the needs of a Province.

#### *Constitution of Commission*

The Constitution of India envisages the establishment of a Public Service Commission at the Centre known as the Union Public Service Commission and one for each State or a group of two or more States. The distinctive features embodied in it are :

(i) Fixed tenure of office of a Member for six years or until the attainment of sixty-five years of age in the case of the Union Public Service Commission and sixty years in the case of State Public Service Commissions (Member includes the Chairman).

(ii) Once appointed by the Government of the day, the conditions of service of a Member cannot be varied to his disadvantage during his tenure of office.

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(iii) A Member can only be removed from his office by an order of the President on certain specific grounds in consultation with the Supreme Court.

(iv) The entire expenses of the Commission are charged to the consolidated fund of India or the State concerned, as the case may be, that is to say, they are not required to be submitted to the vote of Parliament or the State Legislature.

(v) All regulations to be issued by the Government excluding any matter from the purview of the Commission will have to be laid before Parliament or the State Legislature for such modification as it may deem fit to make.

(vi) Further employment of a Member is severely restricted as indicated below :

(a) The Chairman of the Union Public Service Commission is completely debarred from further employment under the Government, Central or State.

(b) The Chairman of a State Public Service Commission may be appointed as Chairman or Member of the Union Public Service Commission or as Chairman of any other State Public Service Commission.

(c) A Member of the Union Public Service Commission (other than Chairman) may be appointed as Chairman of the Union Public Service Commission or any State Public Service Commission.

(d) A Member of a State Public Service Commission (other than Chairman) may be appointed as Chairman or Member of the Union Public Service Commission or as Chairman of that or any other State Public Service Commission.

### *Functions of Commission*

The functions of the Public Service Commission are :

(i) To advise the Government on all matters relating to the method of recruitment and principles to be followed in making appointment to Civil Services and Civil Posts, either directly or by promotion.

(ii) To conduct examinations for appointment to the services.

(iii) To advise on the suitability of candidates for appointment, promotion and transfer.

(iv) To advise on disciplinary matters affecting Government servants.

(v) To advise on claims for costs of legal proceedings instituted against a Government servant and on the claims for pension in respect of injuries sustained by a Government servant while on duty.

(vi) Any other matter specifically referred to them by the President or the Governor.

There is a provision for extending the functions of the Commission by Parliament or by a State Legislature not only in respect of Government Services but also in respect of services under Local Authorities, Corporations or other public institutions.

The West Bengal Government, for example, in enacting the Calcutta Municipal Act, 1951, has included a provision that appointment to certain posts in the Calcutta Corporation shall be made on the recommendation of the State Public Service Commission.

It will be observed that the Public Service Commission, as envisaged in the Constitution, is a purely Advisory Body. In this connection it is interesting to recall the following observations made by Sir Samuel Hoare, the then Secretary of State for India, in the British Parliament during the passage of the Government of India Bill, 1935 :

It was the definite view of the Joint Select Committee, and it is the definite view of my advisers here and in India, that the Public Service Commission had much better be advisory. Experience goes to show that they are likely to have more influence if they are advisory than if they have mandatory powers. The danger is that if you give them mandatory powers, you then set up two Governments in a Province, and two Governments at Centre, and there is everything to be said against a procedure of that kind. From many points of view, it is much better that they should be advisory.

It is open to the Government either to accept or reject the advice tendered by the Commission, but there is a provision requiring the Government, while presenting the Commission's Annual Report to the Legislature, to explain the reasons why in particular cases the advice of the Commission cannot be accepted. This is a safeguard against arbitrary action by them in disregard of the Commission's advice.

The Commission is in a much stronger position from a constitutional point of view than the statutory bodies or corporations set up in Britain in recent years. The British Parliament is dealing with bodies created by itself and the statutory position of the Boards and of the Government is defined in an Act which can be modified or repealed by Parliament in the same way as can any other Act. In the other case, the Commission, like the Executive and Legislature, is created by the same sovereign authority, namely the Constitution of India. It is clear, from a constitutional point of view, that the Commission under the Constitution of India is in no way subordinate to the legislature or the executive. Thus while a Public Service Commission would not ordinarily like to withhold information on any particular subject, the constitutional right to withhold information should be recognised. It is the custom in West Bengal, in answering questions and making statements in the Legislature, to adopt the formula sometimes used in the British House of Commons in respect of some British non-ministerial departments or bodies and worded as below :

By courtesy of the Public Service Commission, I am able to supply the information wanted by the Hon. Member.

This short survey makes it clear that the framers of the Constitution have provided for all reasonable safeguards to make the Public Service Commission in India immune from all undue influences and to enable them to carry out their allotted duties with impartiality, integrity and independence without fear or favour.



## CORRESPONDENCE

### LOCAL AUTHORITIES AND CIVIL DEFENCE

DEAR SIR,

I was pleased to read Mr. Richards' contribution on Civil Defence in your Winter 1952 issue of the Journal. The matters of fact seem to me to be very accurately stated, but I take issue with Mr. Richards on the matters of opinion he expresses.

He says, in opening, that—"an investigation into one of the ways in which public authorities seek to promote the good life must be a happier field than that of a survey of measures taken to minimise destruction and suffering in the event of future hostilities"—and later—"action taken to promote the good life frequently . . . arouses some degree of enthusiasm: Civil Defence is felt to be everywhere a distasteful necessity, enthusiasm for which might seem to show a capacity for morbid pessimism."

But surely Mr. Richards is putting the cart before the horse, in implying that the promotion of the good life is the main function of Local Authorities. This is only secondary to the prime object of providing an environment in which any sort of life is possible. This has been well put by K. B. Smellie in his *History of Local Government* (page 7) when he says that "Local Government has been established to make life possible; it could be used to make life good . . ." Civil Defence is now one of the Local Government services that is essential if life is to be possible in the world today. Its aim, by organisation and advice in peace time and by action in war time, is to sustain and nourish the morale of the people. It does this by expanding and co-ordinating a wide variety of services and offering them voluntary assistance in the form of the Civil Defence Corps and allied services.

In our lifetime we have had two opportunities of preventing war. The first of these was thrown away and the Second World War was the penalty paid in a fearful cost in blood and tears. The second opportunity lies to our hand today. What the situation manifestly demands is a voluntary association of the peace-loving peoples of the world in sufficient force and cohesion to be unassailable by any who reject this method, or who break their pact. This task, immense though it is, is not beyond our ability, and Civil Defence is an essential part of it. Mankind's past successes in bringing once sovereign independent states into voluntary union with one another are guarantees that we possess the experience and technique for achieving the great work of political construction that is now demanded of us. We have the ability if we have the will. (See Professor Toynbee's *War and Civilisation*.)

It is possible to get enthusiastic about all this without being morbid pessimists. At least as enthusiastic as in running a bus service, or laying a new sewer, or educating the children. Good leadership from the Local Councils can get a lot of things done well—inspired leadership will get them done superlatively as well as enthusiastically and voluntarily. Local Government is the right vehicle for Civil Defence, supported (as is envisaged) by strong centrally controlled mobile forces, because it provides the vital personal contacts which are so necessary in what is essentially a "self-help" service. It is quite different in this respect from the armed forces and their auxiliaries.

## PUBLIC ADMINISTRATION

There is one point where Mr. Richards, and his colleagues studying problems of Government, can give an invaluable service. Civil Defence in action can be likened to a "battle in depth," and like any other battle its success ultimately depends on administration and supply, and only secondarily on tactics. As the Home Secretary said on 2nd December, Local Authorities, for the first time in peace, are now organising a voluntary service as a permanent feature of modern Local Government. There are not only all the problems of co-ordination between many Government departments and a dozen or more local government departments to be studied. There is also the whole panorama of voluntary organisations and willing individuals to be united into an effective service. Here is an administrative challenge worthy of close study and original experiment.

Mr. Richards concludes by saying that "if the international situation improves visibly, the spirit of the Civil Defence forces is bound to be affected (adversely)." This is a misconception of the purpose and character of Civil Defence. If we have no accidents, we do not cancel our insurance policies; if the health of school children improves, we do not reduce the school health service; if international tensions relax that would be a refreshing encouragement, as it would also be a reason for renewed vigilance and renewed determination on the part of the Civil Defence services. It is the function of enlightened leadership to ensure that the spirit of the Civil Defence forces does not imitate the fluctuations of the political thermometer.

Yours faithfully,

ALBERT COOKE.

Civil Defence Offices,  
The Castle, York.

2nd January, 1953.

## GRANTS-IN-AID TO PUBLIC BODIES

DEAR SIR,

Mr. Grove is not quite correct in stating, in his excellent article on "Grants-in-Aid to Public Bodies" (Winter, 1952), that the staff of the Agricultural Research Council are not Civil Servants. This is true of the staff outside headquarters; but the Council's headquarters staff are Civil Servants, appointed under Civil Service conditions and freely transferable from and to other Departments.

Some details of the Council's relationship to the other Departments concerned with agriculture may be of interest. The Council's "parent" department (as defined by Mr. Groves) is the Treasury; but the three Agricultural Departments of the U.K. each appoint an "assessor" who receives the papers and may attend the meetings of the Council and their committees. Besides disbursing their own grant-in-aid for research purposes, the Council advise the Ministry of Agriculture and Fisheries and the Department of Agriculture for Scotland on the estimates and research programmes of the State-aided agricultural research institutes, which are financed by annual block grants from the votes of the Departments.

Yours faithfully,

L. S. PORTER.

Ilford, Essex.  
9th January, 1953.

## BOOK REVIEWS

### *Charitable Effort in Liverpool in the Nineteenth Century*

By MARGARET B. SIMEY (Liverpool University Press), 1951. Pp. 150. 7s. 6d.

MRS. SIMEY has written a little classic, which deserves to be read not only by students of Liverpool history or of social administration but by all who are interested in the nineteenth century.

The origins of modern voluntary social services, Mrs. Simey points out, do not lie in the countryside or in the small market towns of the pre-industrial era, but in the growing industrial communities of the late eighteenth and early nineteenth centuries. Personal service rather than private almsgiving was a direct response to the special conditions of large-scale urban life. Liverpool was one of the new cities, where from the start local conditions posed complex social problems. "In Liverpool, almost alone amongst the provincial cities of the kingdom," wrote a contemporary in 1871, "the intercourse between masters and men, between employers and employed, ceases on the payment of wages. This is a desolate condition of honest, striving industry, and bodes no good to the social system." The exceptional situation produced exceptional men and women to tackle it. "So often was Liverpool's example a pioneer effort," Mrs. Simey writes, "that it becomes monotonous to mention the fact."

The nature and purposes of local effort varied considerably at different times in the course of the nineteenth century. There was no single answer to the problems of the poor once the stable society of the eighteenth century, with its clear conception of the rights and duties of its members, had broken down. In a city like Liverpool, one or several of a wide range of new responsibilities could take the place of individual charity, or there could be no responsibility at all but merely an open class antagonism. The first possible answer was provided by religion, by "pure faith," by the understanding of a few Christians that the degeneration of the poor was due not to their inferior moral qualities but to their isolation in an inadequate society. The second answer was reform of environment, "physical civilisation," the attempt to improve material conditions and to narrow the

divide between the standards of living of the rich and the poor. Physical reform involved psychological as well as technical problems. "We know little of the inward consciousness of the toiling and the suffering poor," wrote an early reformer, "to be able to speak with any confidence of their own view of their own existence." The attempt to narrow the divide pre-occupied the mid-century reformers, particularly the little group of women, who found in social service a freedom from personal dissatisfaction and frustration.

In the middle years of the century regulation and administration were demanded rather than imagination or insight, "method" instead of "muddle." The setting up of the Central Relief Society in 1863 reflected the changes in mood and interest: with its foundation came the new technique of case work and the subordination of philanthropy to reason. In the later nineteenth century, in face of economic depression, emphasis shifted again to the bigger task of improving the condition of the poorer classes as a whole, and reason was replaced by or at least stirred into a somewhat restless activity by a new sense of middle-class guilt. Even the most degenerate of men, it was pointed out, even the unworthy, left outside the range of service of the Central Relief Society, was still a human being: first his character and then his environment could be re-shaped. In the last decade of the century and at the beginning of the twentieth century, the social worker emerged, particularly the woman worker, anxious to combine the scientific approach of the new social studies with the warmth of individual affection. By that time there were many cross currents in social welfare, new socialist drives in politics, and a new interest on the part of the state.

Mrs. Simey has introduced method and order into the history of social service in Liverpool: she has throughout shown equally valuable gifts of imagination and sympathy. Whether or not her chronology, with its tentative periods of social development, will be of useful general application will only become clear after other local

studies have been made. This book should stimulate similar historical studies of other towns for the historian so far has had little share in the exploration of the changing horizons of the social services. Further similar studies may modify what seems to be the weakest part of Mrs. Simey's book, the first chapter, which presents a highly generalised picture of town life at the beginning of the nineteenth century, based almost entirely on the work of the Hammonds. The pattern of local action was richer than the Hammonds suggested

in their pioneer studies, and the responses to the local challenges were far more alert and rewarding. It was the problems of rapid growth which swamped many early hopes. Urban living in growing cities demanded not clear-cut formulas but natural processes of adjustment. This book is of great importance because it is one of the first to make this essential point clear. It can fairly be described as a little classic because it makes this point not only clear but of absorbing interest.

ASA BRIGGS.

### *The British Coal Industry*

By H. TOWNSHEND-ROSE (Allen & Unwin), 1951. Pp. 162. 12s. 6d.

### *Electricity Supply in Great Britain*

By SIR HENRY SELF and ELIZABETH M. WATSON (Allen & Unwin), 1952. Pp. 219. 20s.

THE two books are the first volumes of a new "National Board" series under the same editor, J. H. Warren, as the "Town and County Hall" series variously reviewed in these pages. The series is planned to cover all industries and services nationalised since 1945 and now under the control of public boards. It addresses itself to three main categories of readers, i.e., the general reader, interested in administration and economics, the university student of these disciplines, and in particular the staffs of the new boards, which it hopes to provide with brief and authoritative outlines of the structure and working of the whole organisms of which they have now become part. In this latter aim, the editor derives obvious benefit from the official position held by the authors of the first two volumes at the headquarters of their particular organisation: Mr. Townshend-Rose is a solicitor in the legal department of the National Coal Board; Sir Henry Self, as is well known to the readers of this JOURNAL, has been, since its formation in 1948, Deputy Chairman (Administration) of the Central Authority of the electricity supply industry, where his co-author is his personal assistant.

Mr. Townshend-Rose starts his book with a brief catalogue of the major attempts to re-organise the British coal industry from the Sankey Report in 1919 to the Reid Report in 1945; this he follows with a summary of the statutory functions of the National Coal Board, the Minister,

Parliament, and the Consumer Councils, and with a description of the formal structure of the industry as organised below board level, i.e., the divisions, areas, etc. The latter outline is based in the main on the information contained in Chapter X of the Report of the National Coal Board for 1948. Those students of nationalisation whose main interest is in its part in the post-war economic scene will miss a fuller discussion of the problems—especially complex in the coal industry—of defining "transferable assets" and the corresponding difficulty of compensation, a procedure which, even in 1953, has not yet been completed. The remainder of the text concentrates on four main activities of the Board: (i) production, with special reference to the National Plan; (ii) the Board as employer; (iii) marketing and price policy; and (iv) finance and costs. Of these, the chapter setting out the various training schemes inaugurated by the National Coal Board and the intricate machinery for industrial relations, both for conciliation and consultation, will prove perhaps most useful. Although the details of mining methods and coal transport given by the author may be interesting in themselves, the general reader cannot help finishing the book with the impression that the author has too rigidly adhered to his own precept—"My purpose has been to describe, not to criticise; for it would be presumptuous in me, as an employee of the National Coal Board, to attempt to evaluate what

has been achieved"—to be able to convey significantly the basic interest of "this great experiment in industrial reorganisation."

Some of the material of the second volume under review, *Electricity Supply in Great Britain*, has already appeared in articles and pamphlets published by the British Institute of Management, the Institute of Municipal Treasurers and Accountants, and the Institute of Public Administration. But in view of the official position and the experience of the authors, an important new statement is contained in the preface, i.e., that "at least 75 per cent. of the problems of organisation and administration are common to public services generally, whatever may be the particular services entrusted to them." Every research worker who has, more often than not, been told that the problems of administration into which he wishes to enquire are unique and cannot be considered comparable with those of other organisations, will welcome such a statement. The broad layout of the volume follows in the main that used by Mr. Townshend-Rose, although the emphasis on various subject matters, as expressed in the space allotted to them, differs considerably in detail. About half of the text recalls the development of electricity supply from its technical infancy in the 1870s and the changes brought about since 1919 through the constitution of the Electricity Commissioners and, later on, the Central Electricity Board. The authors review the situation of the industry on the eve of nationalisation and then discuss at length the formal structure of the new organisation of the British Electricity Authority and its Area Boards. These—perhaps the most interesting parts of the book—reveal the administrative difficulties of separating out local authority undertakings and the magnitude of the task of unifying some six hundred undertakings among which there existed marked differences in almost every aspect of

their work. The comments of the co-authors on the rest of the subject matter are necessarily short. Thus, they can only touch upon the surface of the problems involved in personnel management, and the new techniques of administration which have to be evolved for the "employer/employees relationship within a unified nationalised industry," where for many grades of staff the Board might be the sole employer. The authors' remarks on the current economic problems of the industry, particularly on the vexed question of its share in the limited amount of national investment, are forcefully expressed and well documented, but they offer little that is new.

Sir Charles Renold has pointed out that the first determinant of the form of a large-scale organisation is the liability to public scrutiny, not only on policy and general results, but on details of behaviour. (*Large-Scale Organisation*, edited by G. E. Milward, published for the Institute of Public Administration by Macdonald and Evans, p. 218). It is, therefore, to be regretted that both volumes have contented themselves with a formal description of the powers of the Minister and Parliament and have gone no further into the effect of public control on the working of their organisations.

Summarising, it can be agreed that in both volumes the authors have fulfilled their professed aim: to give short accounts of the development of the organisation of two major industries, and in that they have certainly provided a useful service. It is to be hoped, however, that Sir Henry Self, especially, with his wide experience both as a senior civil servant and as a member of a public corporation, will be able before long to find the time to give us a more provocative analysis of the underlying fundamental problems of nationalisation—the difficulties of scale and the relationship of government to industry.

T. E. CHESTER.

## *Professional People*

By ROY LEWIS and ANGUS MAUDE (Phoenix House), 1952. Pp. 284. 18s.

THIS is a thought-provoking book. It asks a number of questions which ought to be examined by rational citizens. If it is too much to say, as the authors suggest, that "the over-riding problem of the

professions may be no less than that of western economics and modern societies," nevertheless a study of the former may throw light upon the larger problems of the welfare state.

The authors' main thesis is that the professions, with their proud traditions of service and their high technical and ethical standards, have something of peculiar value to contribute to the health of society. But today this national heritage is at stake. The dangers that confront it are the twin monsters of over-specialisation and over-socialisation: the demand for more and more experts working, not in the old relationship of trust between free practitioner and free client but as the tied employees of a soulless state, each required to know more and more about less and less, each "untroubled by conscience, interested only in getting things done, and, for the social repercussions of action, referring to other and separately trained experts." In the face of these perils, how long can the professions hope to preserve their traditions and their independence?

The authors are doubtful, but not wholly despondent. The remedy, they say, lies with the professions themselves. It is professional people who "have inherited the leadership in Britain today"; they must not allow this leadership to pass into the hands of the salaried official. But their influence is waning. Socialisation has had the effect of increasing their numbers but diluting their quality and lowering their professional standards. This applies not only to education and training, but to conduct, for if a professional civil servant is faced with a conflict between his professional code and his duty to the state as his employer, who can say which will prevail? The highest standard of professional conduct and prestige is to be found in the private practitioner, in his fiduciary relationship to his client. But private practice is suffering, both from the direct competition of the state as an employer of professional people, and from the general levelling of incomes by taxation.

If then the professional classes are "to remain professional in the best sense," they must do everything in their power to protect and foster private practice. In particular, every citizen should be free, both to consult the doctor of his choice, as a fee-paying patient, and to send his children to an independent public school, if he wishes and can afford to do so. Next, the professions must watch, and where possible check, the growth of centralised organisations; they must insist that the

professional man on the spot, such as the colliery manager, once he has proved his fitness for management, shall be recognised as the responsible captain of his ship; and they must close their ranks and maintain their professional standards, against the "state policy" of dilution (if this should lay them open to the charge of failure to provide the experts in the numbers which the nation demands, that, say the authors airily, is "a charge that they will do well to ignore"). Finally, they must seek not only professional, but financial and administrative freedom: they must train their own members to become administrators, instead of being obliged to borrow ready-made experts from outside, and they must show themselves capable of managing, in the public interest, the vast sums voted by the state for welfare, without submitting to detailed control.

The authors say that their book is not a political essay, but it is clear from the above summary that they have touched on a number of controversial political issues, and that their solutions are largely dictated by their own political views. That is a pity, for the dangers which they describe are probably not exaggerated, and the problem how the welfare state is to overcome them deserves a more objective and impartial answer than this book gives us. It is a pity too that the authors should occasionally descend to the level of mere political journalism, e.g., in the remark on p. 95 that "the inefficiency of the Post Office is now so universally resented that the Post Office can be defended only by treating public criticism of it as an insult to the staff?" or the tendentious statement on p. 268 that "the state would feel far stronger if private practice were stamped out entirely"; while the account (in the footnote on p. 218) of the modern method of selection of naval officers is both prejudiced and inaccurate.

Nevertheless the book is well worth reading. Apart from politics, there is much to interest the general reader as well as the professional man. The authors have read widely and appositely; their analysis is thoughtful and penetrating; their conclusions often sound and always stimulating; and their advice, e.g., to doctors and teachers, courageous and wise.

A. P. WATERFIELD.



## *The Public Librarian*

By ALICE I. BRYAN (with a section on the Education of Librarians by ROBERT D. LEIGH). (Columbia University Press ; Oxford University Press), 1952. Pp. xxvii + 474, 2 charts, 81 tabs. 40s.

THIS volume is one in the series *Public Library Inquiry*, proposed by the American Library Association in 1946 to the Social Science Research Council, with the request that the Council would undertake to conduct the Inquiry. The project was approved by the Council, and the Carnegie Corporation appropriated \$200,000 for support of the study. Dr. Bryan's work deals with public librarians only and is naturally confined to these in the United States. Nevertheless the volume contains much that will be useful to librarians in this country. Such questions as "what kind of people are attracted to the library profession?" and "what social and economic problems face the profession and how might they be solved?" are of immense interest, and the answers given here might very well relate to the profession in this country.

Material for the work was submitted by more than 3,000 public librarians throughout the country and Dr. Bryan first looks at the librarians themselves—their characteristics, attitudes, rewards and dissatisfactions, working conditions and backgrounds in library training. Dr. Bryan finds the educational backgrounds of many librarians to be inadequate—only 58 per cent. of the professional librarians surveyed were college graduates, and only 40 per cent. had graduated from library school. Even these figures compare favourably with the position in this country, although a vast improvement is noticeable on 1930.

Public library salaries were found to be low compared with those of other occupations of similar skill and formal training, and compared with the minimum standards established by the A.L.A. itself. These standards were set down as \$2,800 for the minimum annual beginning salary for the lowest library position in the professional level. That these minima were not being met in the year 1947 is shown by table 15. At least 67 per cent. of the samples presented did not receive the recommended figure. "Inadequate salaries remain the number one library personnel problem."

In regard to women the position in

America seems much the same as it is here. The dearth of jobs of equal dignity and opportunity for able women in other occupations in the past, accounted, at any rate partially, for the maintenance of relatively low library salary levels, although the quality of personnel was at a pretty high level. The opening up of more and more professional and commercial positions to women, largely begun during the world wars, has undoubtedly reduced the supply of female entrants to librarianship at the prevailing low salaries. More than formerly, men are entering the library field, but because of the fetish of male leadership in administrative posts and men's greater average of personal financial responsibilities, they are moving into the top library positions out of all proportion to their numerical position in the profession. There is no simple, easy, or quick solution. Librarians' salaries are low, and trained librarians are in short supply.

This work lists five closely related proposals which together form a programme designed to increase the adequacy of professional public library personnel. They are:

1. Organisation of larger units of public library service by federation of smaller units.
2. System of State financial aid administered by a professionally led State library authority.
3. A strong unified association of professional librarians in all types of libraries ; a State administered programme of compulsory certification of professional librarians to hold positions that are determined by job analysis to require full professional training for their performance.
4. The classification of all positions in public libraries on the basis of scientific job analysis with periodic revision of a professional salary scale on the basis of job analysis.
5. The accreditation by the A.L.A. of library schools offering instructional, library, and other resources, found almost exclusively in universities, but tied to numbers 3 and 4 above.

Librarians and their staffs, as well as controlling authorities, can derive much food for thought and heaps of valuable suggestions on library practice from this volume. I would specially recommend those in authority to study the comments on information services for the benefit of all the staff from top to bottom, so that policies, proposed developments, salaries and changes in practice may be fully

expounded, individual cross-examination of doubts and fears and suggestion schemes encouraged. Incentives of this kind have an immense value in encouraging greater efficiency among the staff, especially in the lower grades, who (rightly perhaps) feel that their work is considered of no importance, and they themselves as *impedimenta*.

B. M. HEADICAR.

## *Problems of Local Government*

(Co-operative Party), 1952. Pp. 34. 6d.

## *The Structure of Local Government*

By W. ERIC JACKSON, New Issue, with Addenda (Longmans, Green & Co.), 1952. Pp. xix, 261. 15s.

At the annual conference of the Co-operative Party in 1952 the National Committee was instructed to prepare a report "dealing with problems of local government and community life and giving particular reference to the local problems of Co-operative societies and Co-operative councillors." The Executive Committee has decided to postpone the publication of a full report until after the 1953 Conference. Meanwhile it has produced an interim report, describing the present system of local government in England, Wales and Scotland, and pointing out some of the problems which need to be considered before a policy can be evolved for the general reform of the system.

To cover so wide a subject in so small a space—twenty-three pages of text—is a considerable achievement. The authors of this report have, however, contrived within these limits to draw attention to the principal questions which need to be considered in the framing of a general policy. The report will be a valuable guide to those who will now determine the attitude of the Co-operative Party to the problem as a whole.

Mr. Jackson's book on the structure of local government is already well known as a sound and uncontroversial introduction to the subject. It was reviewed in *PUBLIC ADMINISTRATION* when it was first published in 1949 (Vol. XXVIII, page 77). It is now issued in the same form with the addition of two pages of addenda to bring it up to date to May, 1952. These two pages contain a reference to recent changes in the organisation of the Min-

istries and a short description of the legislation of 1949 and 1950 affecting local government. The account of these Acts is somewhat inadequate, and in some instances may give a false impression of the effect of the statutes. For example, in referring to the Local Government Boundary Commission (Dissolution) Act, 1949, it is stated that "the Minister may adjust the boundaries of county boroughs." Such a statement, without reference to the restrictions on the Minister's power or to the normal procedure by Private Bill, gives a false impression. So also the statement that "The Lands Tribunal Act, 1949, provides for the setting-up of lands tribunals for settling disputes of various kinds in relation to land . . ." is misleading, as it does not indicate that there is only one Lands Tribunal, which acts as an appeal tribunal. Similar criticisms might be made of the accounts given of the Allotments Act, 1950, and of the National Parks and Access to the Countryside Act, 1949.

The quantity of legislation in recent years has made it difficult for publishers and authors to keep books of this sort up to date. To publish a completely revised edition is expensive and cumbersome; the loose-leaf system is inappropriate in most cases. There is therefore much to be said for the method adopted by Mr. Jackson and his publishers. But the use of a single sheet to describe the developments of several years has resulted in undue compression with some misleading results.

B. KEITH-LUCAS.

# Efficiency in the Nationalised Industries

By SIR HUBERT HOULDSWORTH, HENRY JONES, LORD LATHAM, and LORD CITRINE.  
Foreword by HERBERT MORRISON. (Allen and Unwin for the Institute of Public Administration), 1952. Pp. ii + 65. 6s.

FEW people outside of a charmed circle know how hard it is for men holding positions of responsibility to talk and write about their work. It is easier to have bright ideas if you need not answer for putting them into effect, and a dash of responsibility spoils a lot of fun. Nevertheless, there is usually much to learn from the man who knows and does.

The symposium of papers on efficiency in nationalised industries, which the Institute of Public Administration have published, is a case in point. Coal, Gas, London Transport and Electricity are the industries selected. The contributions are from men at the top of the nationalised undertakings, and there is a suggestive foreword by Mr. Herbert Morrison.

The contributions take their colour from the industries whence they come. The problems of engineering, management, human relations and even organisation, to some extent, which they describe, have little to do with nationalisation as such. They are, for the most part, inherent in the industries and would arise in one form or another however they were owned and managed. Thus, to take only two examples, the problems of improving the quality of colliery management and of settling electricity tariffs are not new, and nationalisation is only the new context in which solutions have to be sought and found. Anyone who is interested in the problems of industries, whether privately or nationally owned, will find something of value in each paper.

Perhaps inevitably, less space has been devoted to the constitutional question of how far efficiency would be enhanced or diminished by greater public control and public accountability of the industries. In his foreword Mr. Morrison throws down the gauntlet. "The fact has to be faced" he says "that the publicly-owned industries are vast undertakings and that Parliament and the public have a right to be satisfied that all measures are available to ensure efficiency and good and economical public services." Sir Hubert Houldsworth, however, is the only spokesman for the industries to enter this contro-

versial field. He argues that the real danger to efficiency arises "far more from the limelight of public criticism under which the work has to be carried out—criticisms in the press and in speeches of mistakes or of actions which, in many cases, would pass unnoticed under private enterprise"; and he concludes: "those responsible for the operation of nationalised industries must always be diligent in refusing to be influenced unduly in decision or in action by fear of public criticism if the taking of a legitimate risk does not happen to succeed." There is a conflict between "public accountability" and managerial freedom, and the way it is being resolved, in practice, is one of the interesting constitutional developments of today. While most people would agree that the Boards should be encouraged to develop a strong sense of responsibility and that they should be free as Cabinets are free to stand up—or yield—to popular pressures at their own peril, few would hold that Cabinets or Boards should be allowed to operate in a political vacuum sealed off from public opinion and in no way accountable to it. In his foreword, Mr. Morrison has reverted, though only tentatively, to a suggestion he has put forward before that there should be some kind of running efficiency audit either by an authority outside the Boards or by the Boards jointly.

Bound up with the question of public accountability of the Boards is the degree of delegation of functions from the Boards. The more the degree of delegation the less the accountability, and vice versa. That is another conflict, and one often overlooked in current controversy. Sir Hubert Houldsworth, "a decentraliser by nature," is able to tell us that the Divisional Coal Boards can, without authority from headquarters, incur capital expenditure up to a quarter of a million pounds; one Divisional Coal Board has, in turn, devolved authority to spend up to £100,000 to the Area General Managers. If, as was reported in the Board's Annual Report for 1948, there is still no control at all over Divisional expenditure on revenue account—about £50,000,000 a year a Division—the

N.C.B. have been practising decentralisation with a vengeance. The monolith is in fragments.

In the gas industry, unlike coal where each pit "competes" with every other, and unlike electricity where the power stations are linked to a national grid, what happens in one region is of little concern to other regions. So in statutory form, the gas industry is highly decentralised. The Gas Boards in the regions are responsible, not only for distribution as in the case of electricity, but also for production; and the Gas Council at the centre has only a small co-ordinating rôle. Mr. Henry Jones, Deputy Chairman of the Gas Council, tells us how the Gas Boards have set about delegating functions within their areas. But, paradoxically, there is nothing like the degree of delegation that is found in the coal industry: in the East Midlands region, for instance, Mr. Jones tells us that authority to incur capital expenditure above £500 for any one project is reserved for the Gas Board. There are, no doubt, reasons for the difference between the gas and coal industries. Large undertakings, using modern techniques of management, and necessarily centralised to some extent, were more common in the gas industry in the past than they were in the coal industry with its individualistic traditions. On the other side Mr. Jones has something to say about the economies of scale which are being reaped. For example, in the East Midlands, a small purchasing section that had been set up had achieved savings during a twelve-month period of more than £100,000. This is not of itself a large sum in relation to the total costs of

the industry, but it is only one example.

Lord Latham's paper is particularly interesting. London Transport seem to have developed more fully than the other industries up-to-date methods of budgetary and statistical control that are such a feature of large-scale enterprises in this country and in the United States. But London Transport is, essentially, a centralised functional organisation. This is perhaps because it was formed in a period when rationalisation was more fashionable than decentralisation and functionalism was still respectable. Lord Latham concludes simply that the organisation "seems to be suited to our work and traditions"; the proof of the pudding has little to do with preconceived theories of "ations" or "isms".

Many of the papers discuss efficiency in terms of producing goods and services that are demanded at the lowest possible cost. This might be termed tactics. There is also the strategy of investment policy and prices. Lord Citrine, in his paper, faces up to this bigger issue. He makes a reasoned case, first for allocating more of the nation's capital resources to the electricity industry than Governments have allowed up till now, and secondly for keeping electricity tariffs at their present low level. Many economists disagree, but it is refreshing to have this side of the case stated so vigorously.

With the exception of Lord Citrine, the contributors show a determination to ignore economic issues of this kind. Criticism would be easy; but when so much excellent fare has been provided it is churlish to complain about dishes left out.

## BOOK NOTES

### *Conference on Comparative Administration, Princeton, September 1952*

CONVENED by Public Administration Clearing House, this Conference was concerned with the improvement and expansion of professional training in comparative public administration. The Report is a very American document both in approach and in terminology. The Conference discussed the scope and content of comparative administration, the personnel and data available and present and future organisation. The Report is too short to give more than certain main points and conclusions and leaves one with the impression that like all such meetings it was found easier to talk about organisation, the listing of research topics, etc., than to show how really good work could be done. There is an appendix by Professors Sayre and Kaufman outlining a suggested method of study of comparative administration which is stimulating to the right kind of person, but would be deadly, one suspects, to the person looking for a simple mechanical method of study. To make a true study of the administration of another country requires plenty of time; few, if any, American professors appear to have sufficient of this commodity.

### *Executives for the Federal Service*

By JOHN J. CORSON. (Columbia University Press.) Pp. 91. \$1.50.

THE successful accomplishment of the rôle of being the leading country in international affairs depends to a large extent on having officials of high calibre at the top of the Federal Service. But the anti-governmental atmosphere and the strong counter attraction of higher salaries in the private sector are making it impossible for the United States to recruit the best Civil Service. The main purposes of Mr. Corson's little book are to focus public attention on this problem and to suggest remedies. One of the proposals is the creation of a "pool" (or class) of career administrators, but without incurring the disadvantages of a "closed" corps. "This recommendation is simply an adaptation of the most desirable characteristics of the British civil service. . . ."

### *Consumers Councils*

By MARY STEWART. Pp. 16. 9d.

### *Enterprise in Local Government*

By PEGGY CRANE. Pp. 41. 2s.

THESE are Nos. 155 and 156 in the Fabian Research Series published by the Fabian Society. Mary Stewart concludes that though the existence of the Consumers Councils for Gas and Electricity has been justified by their achievements, there are six reasons why they have not made the impact on their public that their creators anticipated. Three of the reasons are concerned with the dependence of each Council on its Area Board, e.g., the Chairman and Secretary are paid by the Board. Inadequate use has been made of Local Authorities and no research organisation exists to advise the Council members. The great weakness of the study is that the author never appears to have asked herself how far these bodies can go without duplicating the work of the Ministry or of the Boards themselves.

Miss Crane's booklet is a study of the way in which Local Authorities exercise their permissive powers. She uses the word "permissive" in a very wide sense, e.g., to include rent rebate schemes and the use of direct labour schemes to build houses. Over 500 Authorities replied to her questionnaire asking whether they acted under some thirty-five specific Sections and their answers are analysed. The results cannot easily be summarised, but certain general conclusions emerge. County Boroughs are, by her test, the most enterprising and in general the small authorities are the least enterprising. From this she jumps to the conclusion that a complete reorganisation of local government is necessary. Her evidence is quite insufficient to support such a conclusion—there is no reason to suppose, for example, that these powers need be exercised in every area—each function is given equal weight and percentages of actual to total powers are calculated as though one is dealing with a homogeneous universe. Thus it is possible that control of smoke nuisance is more needed in a large town than in a rural district. Surely one of the purposes of having powers permissive rather than compulsory is to

allow for differences in the needs of different parts of the country and the needs of the village are not necessarily the same as those of a town. Another purpose of this device is to allow some Local Authorities to go ahead and experiment, then others to follow, until ultimately the function is carried out by all Authorities. A third purpose is to allow Councils of different political hues to exercise the discretion and the direction wanted by the majority of the local electors—if the Labour Party is strongest in the Metropolitan Boroughs and the County Boroughs it is natural that these bodies should perform a number of functions thought by some to be "socialist"—this shows the advantage of local government, not the disadvantages of County Districts. The Fabian Society is to be congratulated on encouraging this kind of study. It is most unfortunate, however, that its thinking about local government still appears to be mechanical. At a time when the Labour Party is beginning to appreciate the difference between theory and practice in large-scale organisation, the Society continues to treat local government as though the only thing that matters is size.

#### *Case Law on National Insurance*

By H. KEAST. (Thames Bank.) Pp. 194+xi. 10s.

A SUMMARY of the case law arising from the reported decisions of the Commissioner of National Insurance, under the National Insurance Acts.

#### *The British Economy, 1945-50*

Edited by G. D. N. WORSWICK and P. H. ADY (O.U.P.). Pp. 621. 35s. (U.K. only.)

NINETEEN Oxford dons, mainly economists, have combined to survey the post-war British Economy. Though some of the essays will mainly be of interest to economists, most of them will also interest public officials, so closely connected are economics and administration these days. Among the essays of most direct bearing on public administration are Direct Controls (G. D. N. Worswick); Location of Industry (M. P. Fogarty); Nationalised Industry (H. A. Clegg); Pre-war and War-time Controls (P. J. D. Wiles); Machinery of Government and Planning (D. N. Chester); and the Social Services

(Asa Briggs). The book is a mine of information and informed comment on all the many aspects—finance, manpower, international trade, industrial organisation, etc.—of recent British economic history.

#### *Education Rates and the Education and Equalisation Grants*

By J. B. WOODHAM (Institute of Municipal Treasurers and Accountants), London. Pp. 84 and tables. 10s.

THIS is the best and most penetrating analysis of the Education Grant since it was first established. Mr. Woodham shows clearly the influence of the different elements in the formulae and how the Exchequer Equalisation Grant formula has affected the matter. This leads him to suggest a new structure for the Education Grant which he thinks would lead to fairer distribution between Authorities. Not everybody will agree with Mr. Woodham's conclusions and recommendations. If anything he places too much emphasis on statistical results and perhaps some will think he gives too little weight to less measurable factors. Moreover he is still left with a number of "problem" Authorities, i.e., Authorities that do not fit easily into any generalised formula. But he has made an important contribution to central-local finance both by his findings and by showing what can be achieved by the use of straightforward statistical techniques.

#### *Hart's Introduction to the Law of Local Government and Administration. Fifth Edition*

By WILLIAM O. HART. (Butterworth.) Pp. lxiii+724+77. 38s. 6d. (by post 1s. 6d. extra).

THIS latest edition of a standard work has been revised in order to take account of the latest developments in the sphere of local government. These include changes in name and function of several Ministries, the disappearance of the Local Government Boundary Commission and numerous recent statutes dealing with Representation of the People, Justices of the Peace, Housing, National Parks, special roads, new streets and street works, River Pollution, Civil Aviation, Licensing and other matters.



*National Corporation for the Care of Old People. Fourth Annual Report*  
Pp. 28.

THE Board of Governors of the Corporation reports on a further year's work. One of the Board's most interesting activities is the provision, thanks to the generosity of the people of South Africa, of three rest homes for old people. These are intended to provide an intermediate stage between the hospital and the homes provided by Local Authorities. The demand for vacancies in Local Authority homes still exceeds the supply although such homes are increasing in number. This is due not only to the increasing number of people of pensionable age, but also to the inadequate provision of domiciliary care services which would allow old folk to remain alone in their own homes. The latter problem has formed the subject of a report by the Corporation, which has also reported on almshouses in two counties and on the purchase and adaptation of property for use as old people's houses.

*Local Government of the United Kingdom. Supplement to the Fourteenth Edition*

(Pitman.) Pp. 16. 2s.

SINCE April, 1947, when the current edition of *Local Government of the United Kingdom* by J. J. Clarke appeared, the work of Local Authorities has undergone changes of the most far-reaching character. In order to indicate their incidence the publishers have produced this supplement which, under page references, gives a brief summary of the provisions of recent statutes. In view of the comprehensiveness of the changes, however, it may be doubted whether anything short of extensive rewriting will meet the need.

*Local Government in Canada*

By HORACE L. BRITTAİN. (Ryerson Press, Toronto.) Pp. x+251. \$6.

SINCE it is the first comprehensive work on Canadian local government to appear since 1907, this book is assured of close attention. To the British reader Dr. Brittain's account of the amazingly varied pattern of local government in the Dominion is full of interest and shows clearly the various external and local influences which have shaped the present systems.

These differ from province to province and from city to city. Both England and the United States have influenced Canadian Local Government, but in certain respects, such as the small council and the elected mayor, the example of the latter has generally been followed. A further contrast is evident between the Province of Quebec, characterised by strong denominational influence, by the large councils in the two largest centres, and by extensive adoption of the city manager system, and the remainder of the Dominion.

In addition to the main body of the book which, after a historical introduction, deals with the usual aspects of local government, there are two appendices. These give summaries by provinces of the main features of municipal and local school establishments, and of the methods of controlling municipalities through general legislation.

*Pratique du Travail de Bureau*

(Cégos.) Pp. 324. 1350 francs (1420 francs post free).

THIS French publication contains the papers presented to various study groups which considered ways of improving office efficiency through the judicious application of the most modern methods and machinery. Among the problems discussed are handling mail, filing, document reproduction, payment of staff, conduct of meetings, and work simplification.

*The Hospitals Year Book, 1952*

Edited by J. F. MILNE (Institute of Hospital Administrators). Pp. 1402. 45s.

THE third edition of this standard work of reference to be published by the Institute of Hospital Administrators follows in scope and contents the preceding edition and, as in previous years, the editor contributes a very useful summary of current progress and problems in the hospital service.

*Brown's Book-Keeping and Accounts of Local and Public Authorities*

Edited by HENRY BROWN. (Butterworth.) Pp. 678. 55s.

SINCE 1946, when the second edition of this book appeared, electricity and gas undertakings and the hospital service have

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ceased to be the concern of Local Authorities, and these changes have called for a recasting of the relevant sections of the work. As the main purpose is to provide a text-book for I.M.T.A. students it is now necessary to cater for the officers of both Local Authorities and some of the Public Corporations. It has been decided to continue publication in a single volume rather than in two separate works, since the latter course would have resulted in duplication of the matter dealing with general principles and mechanisation.

### *Birmingham Fifty Years On*

By PAUL S. CADBURY (Bournville Village Trust). Pp. 94. 10s. 6d.

THIS lavishly illustrated book seeks to bring to life the blue-prints for the Birmingham of the future and to show what the plans will mean in terms of the daily work and play of the ordinary citizen and his family, and how these compare with present conditions in the city. It is unfortunate, though perhaps inevitable, that, in works of this character, present squalor and muddle, as portrayed realistically by the camera, must appear more real and durable than the artist's visions of a more spacious future.

### *Economic and Social Development of the Department of Cuzco (Peru)*

Report of an exploratory mission of the UNITED NATIONS. (United Nations and H.M.S.O.) Pp. 18. 1s. 9d.

THREE experts were appointed by the United Nations to advise the Peruvian Government on the rebuilding of the ancient city of Cuzco, the former capital of the Inca Empire, which was destroyed in May, 1950, by an earthquake of unusual violence. Conscious of the impossibility of planning the future of the city in isolation from the surrounding region, the Peruvian Government also sought advice on the development of the whole area. One of the four main recommendations is the establishment of a Cuzco Development Authority, to be appointed by the Government for the purpose of administering a comprehensive programme for the whole area.

### *Law and Contemporary Problems*

Published by the School of Law, DUKE UNIVERSITY, Durham, North Carolina.

Annual subscription from this country, \$5.50.

RECENT issues of this publication continue to include material of considerable interest to the British reader. The Summer and Autumn, 1952, issues are devoted to Commercial Arbitration. In the first part Martin Domke deals with the enforcement abroad of American arbitration awards in which several cases affecting British Courts and parties are discussed fully. The second part contains a summary by G. Ellenbogen of English Arbitration Practice written primarily for American readers, but of great value to the student in this country. The Winter, 1952, issue includes a contribution from the Charterhouse Finance Corporation Limited of London on Corporate Financing in Great Britain.

### *Journal of Political Studies*

Three issues yearly. Annual subscription 27s. 6d. Single Copies 10s. Oxford University Press.

THIS is the Journal of the newly formed United Kingdom Political Studies Association and the editor is Wilfrid Harrison. Membership of the Association is confined to University teachers in the broad field of political studies but all may subscribe to the Journal. In the first issue Professor D. W. Brogan writes about the American Presidential Election; Professor G. D. H. Cole on What is Socialism?; D. N. Chester on Public Corporations and the Classification of Administrative Bodies; and there are articles concerned with political theory and French Parliamentary Procedure.

### *Journal of Industrial Economics*

Three issues yearly. Annual Subscription 21s. or \$3. Single copies 10s. or \$1.40. Basil Blackwell, Oxford.

THE first issue of this new Anglo-American Journal contains two articles on Price Policy in the Iron and Steel Industry which should however be of interest to those concerned with the price policy in other nationalised industries. Among the other articles there is a consideration of Business Forecasting and of the present Capital Shortage. The Editor is P. W. S. Andrews and there is a distinguished Anglo-American Editorial Board.

# BOOK NOTES

## *Australian Journal of Public Administration*

2s. 6d. per issue.

THE 1952 issues of the Journal of the Australian Regional Groups of the Institute continue to maintain a high standard, and many of the articles will be of interest to students and practitioners throughout the world. Among the articles of general interest may be mentioned Miss Rydon's *The Australian Broadcasting Commission*, 1932-42; Mr. A. J. Wyndham's *The Selecting of Personnel for Promotion*; and Mr. W. J. Campbell's *The Statutory Corporation in New South Wales*.

## *Your Family and the Law*

By ROBERT S. W. POLLARD. (Watts.) Pp. 90. 1s.

THIS publication in the series of Thrift Books aims to provide a concise and intelligible presentation of the commonest legal problems with which the average family may from time to time be confronted.

## *Human Nature. Its Development, Variations and Assessment*

By JOHN C. RAVEN. (H. K. Lewis.) Pp. xii + 226. 12s. 6d.

THIS book aims to provide a consistent description of human conduct for the guidance of all those who are concerned with the welfare and happiness of others. It is based on talks and lectures given by the author to audiences drawn from varied walks of life and including both specialists and laymen.

## *Public Administration in Hong Kong*

By SIR CHARLES COLLINS. (Royal Institute of International Affairs.) Pp. ix + 189. 15s.

IN this companion volume to his *Public Administration in Ceylon* (reviewed in the Spring, 1952, issue of PUBLIC ADMINISTRATION), the author traces the history and development of public administration in the Crown Colony of Hong Kong from its cession by the Treaty of Nanking in 1842 to the latest proposals for constitutional reform. Of the 189 pages, 165 deal with developments up to the early years of the twentieth century. In addition he provides much useful information about the general history of Hong Kong, relations with China, and the expansion of trade and commerce. Particular attention is devoted to the development of the public service to meet the exceptional conditions of the Colony. There is a useful bibliography.

## *Low Rent Asian Housing*

By J. W. DARK. (Orient Publishing Co., Hong Kong.) Pp. 122. HK \$10.

THIS study, by an English town planner and municipal engineer, of housing conditions in the Far East describes the achievements of the Singapore Housing Trust and puts forward extensive proposals for the elimination of slums in that area and the rebirth of the countryside.

## *The Secretary-General of the United Nations: His Political Powers and Practice*

By STEPHEN M. SCHWEBEL. (Harvard University Press and Geoffrey Cumberlege.) Pp. 299. 31s. 6d.

THIS is presumably the first book of its honest and enthusiastic author. It contains much of interest but its value is considerably reduced by the immaturity of Dr. Schwebel's political judgment.

# THE FOLLOWING BOOKS ARE TO BE REVIEWED

## *The British Cabinet System*

By A. BERRIE DALE KEITH. Second Edition by N. M. GIBBS. (Stevens.) Pp. 466. 37s. 6d.

## *International Technical Assistance*

By WALTER R. SHARP (Public Administration Service, Chicago.) Pp. 146. \$2.50.

## *Le Civil Service Britannique*

By P. M. GAUDEMET (Librairie Armand Colin, Paris.) Pp. 176. 550 francs.

## *Hospital Costing*

Report prepared for the King Edward's Hospital Fund and the Nuffield Provincial Hospitals Trust by CAPTAIN J. E. STONE and a team of Hospital Accountants. Pp. 235. 5s.

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### *History of the Second World War*

United Kingdom Civil Series—Edited by Professor SIR KEITH HANCOCK and published by H.M. Stationery Office and Longmans.

### *British War Production*

By M. M. POSTAN. Pp. 512. 32s. 6d.

### *The Economic Blockade—Vol. I (1939-41)*

By W. N. MEDLICOTT. Pp. 732. 35s.

### *Food—Vol. I. The Growth of Policy*

By R. J. HAMMOND. Pp. 436. 25s.

### *Works and Buildings*

By C. M. KOHAN. Pp. 540. 32s. 6d.

### *Civil Industry and Trade*

By E. L. HARGREAVES and M. M. GOWING. Pp. 678. 37s. 6d.

### *Administration of National Economic Control*

By E. S. REDFORD (Macmillan). Pp. 403.

## RECENT GOVERNMENT PUBLICATIONS

THE following official publications issued by H.M.S.O. are of particular interest to those engaged in, or studying, public administration. The documents are available for reference in the Library of the Institute.

### *Agricultural Land Commission.*

5th report, for the year ended 31st March, 1952. H.C. 312. pp. vi, 37. 1s. 9d.

### *Board of Trade.*

Report of the Copyright Committee. Cmd. 8662. pp. 130. 1952. 4s. 6d.

### *British Overseas Airways Corporation.*

Report and accounts for 1951-1952. H.C. 292. pp. vi, 68. 13 graphs. 3s.

### *British Transport Commission.*

Report for 1952. pp. iii, 59. 3s.

### *Cabinet Office.*

History of the Second World War (see list in Book Notes).

### *Central Statistical Office.*

Monthly digest of statistics. October to December, 1952. 4s. each.

Index of industrial production. (Studies in official statistics, No. 2.) pp. 54. 1952. 2s. 6d.

### *Colonial Office.*

Colonial research, 1951-52. Cmd. 8665. pp. 253. 6s. 6d. Includes the reports of various committees on special aspects of research.

Colonial reports. Kenya, 1951. pp. 146. 16 illus., map, bibliog. 1952. 6s.

Digest of colonial statistics. No. 4, September-October, 1952. 3s. 6d.

Journal of African Administration, October, 1952. 2s. 6d. Contains 32 pp. supplement on the development of local government in Nigeria, Gold Coast and Sierra Leone since 1947.

Land tenure: a special supplement to the "Journal of African Administration," by Lord Hailey and others. pp. 36. 1s. 6d.

### *Commissioners of Prisons.*

Report for the year 1951. Cmd. 8692. pp. vi, 177. 5s.

### *Committee of Public Accounts.*

Session 1951-52. First, second and third reports from the Committee, with proceedings, minutes of evidence, appendices and index. H.C. 85-1; 199-1; 251-1. pp. lxxxvi, 581. 1952. 15s.

### *Committee on the Law and Practice relating to Charitable Trusts.*

Report. Cmd. 8710. pp. iv, 251. 1952. 6s. 6d.

### *Commonwealth Relations Office.*

Basutoland, the Bechuanaland Protectorate and Swaziland: history of discussions with the Union of South Africa, 1909-1939. Cmd. 8707. pp. 135. 1952. 4s. 6d.

# RECENT GOVERNMENT PUBLICATIONS

East Africa High Commission.  
Annual report, 1951. pp. 79. 3s.

Exchequer Department.  
Revenue departments. Appropriation accounts, 1951-1952. H.C. 14. pp. viii, 33. 1s. 6d.

General Register Office.  
Registrar General's Statistical Review of England and Wales for the year 1950. Tables. Part I. Medical. pp. 459. 1952. 12s. 6d.

Census, 1951, Great Britain. One per cent. sample tables. Part II. pp. 161-366, xix. Maps, forms, etc. 1952. £2.

Home Office.  
The probation service: its objects and its organisation. pp. 23. 1952. 1s.  
Wales and Monmouthshire: report of Government action for the year ended 30th June, 1952. Cmd. 8678. pp. 79. 2s. 6d.

Ministry of Education.  
Report of the Committee of Enquiry into the Imperial Institute. pp. vi, 39. 8 plans. 1952. 1s. 6d. Recommends that the name be changed to Commonwealth Institute, and that its aims and organisation should shift from economic to social and cultural interests.

Ministry of Food.  
Domestic food consumption and expenditure, 1950, with a supplement on food expenditure by urban working-class households, 1940-1949. pp. 131. 1952. 4s. 6d.

Ministry of Fuel and Power.  
Gas: Report of the Minister for the year ended 31st March, 1952. H.C. 310. pp. 12. 6d.

Report of the Committee on National Policy for the use of Fuel and Power Resources. Cmd. 8647. pp. 242. 1952. 6s. 6d.

Ministry of Health.  
Superannuation scheme for those engaged in the National Health Service in England and Wales: an explanation. pp. 26. 1952. 9d.

Ministry of Housing and Local Government.

Local government financial statistics, England and Wales, 1950-51. pp. 16. 1952. 9d.

Memorandum on the Town Development Act. pp. 10. 1952. 6d. Purpose and application; procedure; arrangements with participating authorities; financial arrangements.

The density of residential areas. pp. iv, 71. 26 figs., 17 tabs. 1952. 5s.

Working party on requisitioned properties in use for housing: interim report. pp. 8, 1952. 4d.

Ministry of Labour and National Service.  
Careers for men and women series. Thirty. Police and prison services. Revised February, 1952. pp. 14. 6d.

Ministry of Pensions.  
27th report for the period 1st April, 1951, to 31st March, 1952. H.C. 290. pp. 87. Illus., maps, charts. 3s. 6d.

Ministry of Transport.  
Report on the administration of the Road Fund for the year 1951-1952. pp. 22. 1952. 2s. 6d.

National Health Service.  
Hospital and specialist services, England and Wales. Statistics for the year ended 31st December, 1949. pp. 300. 1952. £1. (*Processed*.) Hospitals and institutions are classified according to type. Staff figures are those at 31st December, 1949.

New Towns Act, 1946.  
Reports of the twelve Development Corporations for the period ending 31st March, 1952. H.C. 13. pp. 439. Illus., maps. 15s.

Ports Efficiency Committee.  
1st and 2nd reports of the Ports Efficiency Committee to the Secretary of State for the Co-ordination of Transport, Fuel and Power. pp. 15. 1952. 6d.

Post Office.  
Commercial accounts, 1950-52. H.C. 10. pp. 52. 2s. Postal, telegraph, telephone services, and B.B.C. licensing management.

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- Post Office guide, July, 1952. pp. 456.
- Post offices in the United Kingdom, October, 1952. pp. 704. 3s.
- Scottish Department of Health.  
Preventive dental services: report adopted by the Advisory Committee. pp. 32. 1952. 1s. 3d.
- Scottish Home Department.  
2nd report of the Law Society of Scotland on the Legal Aid Scheme, 1st April, 1951, to 31st March, 1952. pp. 19. 1s.
- Select Committee on Estimates.  
1951-52. 1st report. H.C. 11. Appointment of sub-committees and allocation of estimates for examination. pp. 4. 3d.
- 4th report. Training, rehabilitation and resettlement. H.C. 162. pp. xvi, 100. 1952. 5s.
- 6th report. Child care. H.C. 235. pp. xxxiv, 161. 1952. 7s.
- 7th report. Prisons. H.C. 236. pp. xxiv, 216. 1952. 9s.
- 12th report, with minutes of evidence. H.C. 327. pp. xxxviii, 204. 9s. Deals with the Royal Ordnance Factories.
- 13th report. H.C. 328. Child care; and Commonwealth Parliamentary Association. pp. 10. 6d.
- Select Committee on Nationalised Industries.  
Report on methods by which the House of Commons is informed of the affairs of the nationalised industries. H.C. 332. pp. xxiv. 1952. 9d.
- Report, with the proceedings of the Committee, minutes of evidence and appendices. H.C. 332-1. pp. xxvi, 140. 1942. 6s. 6d. Appendix A contains a memorandum by the Clerk of the House dealing with the salient features of the Statutes; opportunities afforded to Members to obtain information; and rules and restrictions applying thereto.
- Stationery Office.  
Consolidated index to Government publications, 1936-1940. pp. 175. 1952. 6s.
- Treasury.  
The Colombo Plan: the first annual report of the Consultative Committee on Economic Development in South and South-East Asia, Karachi, March, 1952. Cmd. 8529. pp. 75. 2s. 6d.
- Digest of pension law and regulations of the Civil Service. pp. vi, 382. 1952. 15s. Contains all the principal statutory provisions and regulations on the subject made up to 31st March, 1952, and still operative.
- National Debt, 1952. Cmd. 8676. pp. 27. 1s. 3d.
- United Kingdom balance of payments, 1949 to 1952. Cmd. 8666. pp. 39. 1s. 6d.



# The Burgomaster in Holland

By P. J. OUD

*Professor Oud, a former Burgomaster of Rotterdam, is a Member of the Dutch Parliament and President of the International Union of Local Authorities. His paper was read before the Hague Congress of the International Political Science Association.*

IT is desirable to begin with a brief sketch of the main principles governing the organisation of municipalities in Holland. This organisation is based on the law, while observing certain rules laid down in the Constitution. It is uniform for all. There is no difference between urban and rural municipalities in this respect. There exists only one type of local authority—the municipality. All have the same status, rights and duties from the largest town to the smallest rural municipality—such differences that exist between them do not alter this general principle.

## *Council, Burgomaster and Aldermen*

The Constitution provides for each municipality to be headed by a Council. This Council is elected for a term of four years by universal suffrage, that is to say, by all male and female residents of the municipality who have reached the age of 23. The number of its members depends on the number of residents. The smallest municipalities have a Council of seven, the largest, Amsterdam, Rotterdam and The Hague, forty-five. Election is based on the system of proportional representation.

The Constitution prescribes that the Chairman of the Council shall be appointed by the Queen. In this connection, the Constitution does not employ the term "Burgomaster." The Municipal Act, which dates from 1851, has, however, preserved this time-honoured title. It lays down that this Burgomaster shall be appointed by the Queen and occupy the post of Chairman of the Council. He may be Chairman without being a member of the Council, for the Constitution specifically states that he may be appointed from outside the Council's ranks. By far the majority of Burgomasters are appointed from outside the ranks of the Council, and even from outside the residents of the municipality. In this respect things have taken a different course from that visualised by the framers of the Municipal Act in 1851. The Act of 1851 laid down that the Burgomaster must be appointed from among the residents of the municipality, though it went on to say that this rule might be departed from "in the interests of the municipality." In latter years, however, this exception had become so much the rule that when the Act was revised, the provision concerned was abolished.

Although the Burgomaster need not accordingly be a member of the Council, membership is not, on the other hand, forbidden. A member of the Council appointed Burgomaster can continue to be a member of the Council, while in the event of a new election the Burgomaster can be appointed to Council membership. I think I may say, however, that in practice it no longer occurs—as it did in former years—that a Burgomaster is at the same time a member of the Council. I do not, in any event, know of any example at the present time. In fact, I believe it is general practice for a

member of the Council to relinquish his membership, should he be appointed Burgomaster. Therefore one may say that it has become a convention that the office of Burgomaster is incompatible with membership of the Council.

Since he is not a member of the Council, the Burgomaster naturally has no vote at Council meetings. He can, however, give advice at these meetings and thus can participate in the deliberations of the Council on the same footing as Council members. He can also put forward to the Council such proposals as he regards as expedient. There is one exception to this. The law obliges the members of the Council to abstain from voting on matters in which they themselves, or their close relations, are personally involved. Should the Burgomaster be concerned in such a matter, he may not avail himself of his advisory voice during the discussion.

The Burgomaster, as Chairman of the Council, takes the chair at meetings of the Council. He, however, is not only concerned with maintaining the rules of debate, but also takes a leading part in the discussion. In case he is questioned on his administrative actions he may indeed defend himself; this will mostly occur in cases of questions on municipal policy in general. If the questions concern more in particular the department of one of the Aldermen, it will rather be up to the Alderman concerned to reply. The Burgomaster has—if he adheres strictly to the rules—not to answer questions concerning his actions as a government official; many Burgomasters, however, think it better to discuss these actions in the Council in order to get its moral support.

The Burgomaster is appointed for a term of six years. He is always full-time and paid a salary. No great significance is attached to the period of appointment. The Act confers on the Queen the right to dismiss the Burgomaster at any time, but he is almost invariably reappointed in practice, if he agrees. It is also rare for a Burgomaster to be dismissed during his term of office, except at his own request. Very serious facts must have come to light before the Government will proceed to a dismissal, and in this event matters are usually so arranged that the Burgomaster concerned is afforded the opportunity to resign. The late Professor Oppenheim of Leyden University, the most authoritative writer on our municipal law, accordingly observed several years ago that the Government cannot be reproached for hasty dismissal of Burgomasters. Rather are there grounds for complaint regarding the indulgence it has repeatedly shown in this matter.

The principal significance of the Legislature's prescriptions concerning appointment and dismissal appears to me to lie in the fact that it has sought in them to make clear that the position of the Burgomaster is no more comparable with a government official than is, for example, that of a Cabinet Minister. It is a matter here of a governmental authority in respect of which a larger measure of freedom should exist as regards the question of dismissal, for reasons of policy. The peculiar position occupied by the Burgomaster, to which I shall return later, is emphasised by provisions of this kind.

The requirements the Burgomaster must satisfy are in general the same as those applicable to membership of the Council. The minimum age is rather higher. Whereas a Council member must be at least 23 years old, the Burgomaster must have reached the age of 25. There is no maximum age limit for Council members, but it has been the rule for some years now

for the Burgomaster to be retired on reaching the age of 65. Finally, it remains to be said that both men and women have the right to be appointed. So far, however, there has been only one case in which a woman has been appointed Burgomaster.

While the Constitution speaks only of a Council and its Chairman appointed by the Queen, the Municipal Act has introduced a third category of municipal administrator, known by the title of *Wethouder*—"Alderman." Each new Council appoints these Aldermen from its own members for a period of four years. The number of Aldermen is dependent upon the size of the municipality. The minimum number is two, while in the largest municipalities it can be increased to six. These Aldermen are always Council members simultaneously. Should an Alderman cease to be a Council member, his function as Alderman also lapses.

The Aldermen possess no authority, either as a body or individually. It is, however, the custom in the larger municipalities to entrust them with the care of some branch of the administration, for example, education, finance or public works, though they have no independent power of decision. Nevertheless, municipal government in Holland is conciliar government. Insofar as authority is not vested in the Municipal Council, it resides in a college composed of Burgomaster and Aldermen. This college is known by the title of "Burgomaster and Aldermen." Here, too, the Burgomaster acts as Chairman. Whether he be a member of the Municipal Council or not, he is in any case a full member of this college. Not only has he the right to vote in it, but in the event of equal voting, his is the casting vote.

Aldermen also receive a salary which—after consultation of the Municipal Council—is fixed by the Provincial Executive Committee and approved by the Crown. Whether Aldermen are full-time or part-time depends on the size of the municipality. In municipalities exceeding a given size the function of Alderman will entail so much work that a full-time Alderman is required. In general, the limit for a part-time or full-time Alderman will be at municipalities of about 30,000-40,000 inhabitants.

Councillors are, in principle, part-time. In large towns it may happen that their function entails such a lot of work that they have to devote almost all their time to it. They receive compensation only for meetings of the Council or Committees of which they are a member.

I wrote above that municipal government in Holland is conciliar government. There is one exception to this. In addition to the two colleges mentioned so far—the Council and the Burgomaster and Aldermen—there exists a third organ of government. This is a one-man body and is formed by the Burgomaster alone. Later on we shall indeed see that a number of administrative powers—especially those having to do with the maintenance of public order—are vested exclusively in the Burgomaster. In its first article, the Municipal Act accordingly begins by stating that each municipal government consists of: (1) a Council; (2) a college of Burgomaster and Aldermen; and (3) a Burgomaster.

#### *Distribution of Authority*

How is authority distributed then among these three organs? I may begin by stating that there is no division of powers in the sense of a *trias*

*politica*, as recommended by Montesquieu. There would not in fact be any place for such a *trias*, since the municipal government is not charged with any juridical function. Neither is there any question of a bipartite division of functions, one body forming the legislature and the other the executive. The position is not that the Council should confine itself to making "laws" whose execution is left to the other organs of administration. The Council is very definitely a governing, or administrative, body itself. Besides making "laws"—referred to as "regulations"—the Council also passes administrative resolutions. It makes a number of appointments and decides upon the purchase and sale, the hiring and letting, of municipal property, etc. Both in the field of legislation and in that of administration, the Council's powers are primary. The Municipal Act postulates, indeed, that all authority in these two fields resides with the Council, unless the Act expressly confers powers either upon the Burgomaster and Aldermen or upon the Burgomaster personally. The Council may, however, delegate the exercise of some of its powers to the college of Burgomaster and Aldermen. In addition, it can prescribe rules which the Burgomaster and Aldermen will be required to observe in exercising such powers.

The Municipal Act visualised the college of Burgomaster and Aldermen primarily as a body concerned with day-to-day administration. As such, it is its task to see to the execution of the Council's resolutions. This can also take the form of legislative measures, for in its regulations the Council can declare the Burgomaster and Aldermen competent to make further regulations on certain matters. Besides this, the Municipal Act has conferred a number of powers on the Burgomaster and Aldermen direct. In these cases the Council itself has no authority. It is not able to deprive the college of Burgomaster and Aldermen of these powers. The Burgomaster and Aldermen are, however, answerable to the Council for all they do or fail to do, both as regards the bringing into force of the Council's resolutions and as regards what is done by virtue of their independent authority.

The Burgomaster, in his turn, is also the executor of the decisions of the Burgomaster and Aldermen. He also exercises the same function as regards the actual carrying out of the Council's decisions. Insofar as the latter requires the framing of further orders, however, this falls to the task of the college of Burgomaster and Aldermen. The sole task of the Burgomaster will be to ensure that that which has been decided upon, either by the Council or by the college of Burgomaster and Aldermen, is in fact carried out.

The procedure whereby the Council's decisions are carried out by the college of Burgomaster and Aldermen is in the meantime subject to an important exception—the maintenance of public order. Here the Municipal Act proceeds from the principle that a single person should be charged with authority in this case. For this reason the responsibility for the day-to-day administration has not been conferred upon the college of Burgomaster and Aldermen, but on the Burgomaster alone. But only administrative powers, not those of a legislative nature, are involved here. As a consequence, the power to make regulations is retained by the Council in this case as well. Thus the latter can prescribe general regulations regarding theatres, public houses and the like, but it cannot, according, in any event, to unvarying

legal ruling, charge the Burgomaster and Aldermen with the task of enforcing these regulations, but only the Burgomaster.

In the event of a breach of the peace, or danger of this, the Burgomaster has, by way of exception, a legislative authority. He can then issue general police regulations. These regulations must, however, be ratified by the following Council meeting. If ratification is refused, the regulations become invalid, unless upheld within a period of forty-eight hours by the Royal Commissioner of the Province concerned.

In contrast to the college of Burgomaster and Aldermen, the Burgomaster himself is not accountable to the Council for his conduct of affairs. This immunity from responsibility only applies, however, where the Burgomaster acts as an independent organ of government. As a member of the college of Burgomaster and Aldermen, he is in the same position as the other members. All the members of this college are accountable, both collectively and individually, to the Municipal Council for the college's administration.

#### *Autonomous and Agency Functions*

All that I have so far said about the powers of the three municipal organs of government—the Council, the Burgomaster and Aldermen, and the Burgomaster—referred exclusively to what is customarily known in Holland as municipal "autonomy" proper. The Constitution and the Municipal Act use a very special term in this respect. They speak about the "housekeeping" of the municipality, which should perhaps better be translated as its "economy." They charge the municipal organs I have mentioned with the regulation and management of this "economy" in the manner outlined above. The municipal "housekeeping" or "economy" can be roughly summarised under the following headings: personnel management; public works (roads, bridges, etc.); local taxes; local constabulary; public health; town and country planning; housing; passenger traffic (tramways, buses); public utilities (gas, water, electricity); social work; education; cultural work.

Just as there is a municipal economy, there is also a provincial and a national economy, whose regulation and management is entrusted to provincial and State organs respectively. Each economy is regarded as having its own clearly delimited terrain. There are three orbits of administration—the Municipality, the Province and the State. The scope of the task of each one of these is not, however, constant. On the contrary, there is multifarious change. Notably because the Province can take to itself tasks hitherto performed by Municipalities, while the State can do likewise as regards the task of both Province and Municipality.

In explaining the problem that arises here, I shall confine my remarks for convenience sake to the relationship existing between the Municipality and the State; the same will hold true, *mutatis mutandis*, as regards the relationship between Municipality and Province.

When the State takes some task or other to itself, this by no means implies that the entire regulation and management of this branch of activity is always entrusted to central government organs. It very often happens that the Legislature lays down the general rules and calls in the co-operation of the municipal administration for their application. The Municipal Act

takes the line that such co-operation is as a rule provided by the college of Burgomaster and Aldermen. The Act in question can, however, entrust this co-operation to the Council or to the Burgomaster alone.

In those cases in which a municipal organ of government is called upon to co-operate for the purpose of applying a State law, the task it fulfils under this head is said not to lie in the province of municipal autonomy proper; in this case one speaks of *zelfbestuur* (sometimes translated as "self-government," but the words "delegation" or "agency" will make it clearer to British readers). This term is intended to indicate that the matter in question does not form part of the municipal economy, but of the economy of the State. This arises from the distinction made between the three economies. It implies that an activity can belong to only one economy, whether that of the State, the Province or the Municipality. From this the conclusion is drawn that municipal organs which apply State regulations are not administering their own economy, but are participating in the administration of the economy of the State. In these cases they are consequently no longer municipal organs, but State organs.

This structure has a very special significance as regards accountability. As I have already explained, the college of Burgomaster and Aldermen is accountable to the Council for the management of the municipal economy. If it is accepted, therefore, that in cases of *zelfbestuur* it is not the municipal but the State economy which is administered, it follows from this that there can be no accountability to the Council as regards such delegated or agency services. This is without doubt the view that has been taken up to the present day. Until a short time ago one even went so far as to deny the Council the right to ask the college of Burgomaster and Aldermen for information regarding these cases. As a result, Council resolutions instructing a member of the Council to seek such information have been annulled by the Government as being in conflict with the law. There has, however, been some change in opinion in recent times on this point. The authority to solicit information is now recognised, though the Burgomaster and Aldermen are under no obligation to provide it. To fill in the picture I should say that when the Burgomaster functions for such services there is naturally no question of accountability, for, as I have already said, he is not accountable even when he participates in the administration of the municipal economy.

The doctrine that in the case of *zelfbestuur* no accountability to the Council exists, or ought to exist, has in the meantime been meeting with ever stronger opposition in latter years. The opponents of the theory question the correctness of the classical view that "autonomy" and "delegation" are very divergent in character. Indeed, they reject the thesis that an activity can belong to one economy exclusively. In their view, one cannot speak of a distinction between the three economies. On the contrary, it is much nearer the truth to say that these economies overlap. As long as a State authority has not concerned itself with an activity, such activity remains altogether a part of the municipal economy. Should the State legislature lay down rules concerning this activity, yet, within the framework of these rules, leave certain powers to municipal organs, municipal authority is indeed curtailed thereby, but it is not abrogated. The municipal economy may well be reduced in scope as a result, but the competence remaining to the muni-



cipality continues to form part of its economy. The activity concerned therefore belongs to the economies of both State and Municipality.

The advocates of the new theory regard their view as dictated by logic. In Holland the system of government is based on decentralisation. It follows the line that administration must take varying local circumstances into account as far as possible. It does not wish the entire government of the country to be uniform. It desires to leave the local administration to decide what measures and what methods of applying them best suit the interests of the local population. The Council, which represents this population, is the proper body to watch over these interests. It is therefore its task to see that the other municipal organs of government foster these interests in proper fashion.

In this connection it makes no difference whatever whether the Burgomaster and Aldermen (or the Burgomaster himself) apply a Council or a State regulation. In both cases, the point at issue is to promote the interests of the local citizens, within the scope of the said regulation, as far as possible. For it is precisely with these interests in view that the State legislature has chosen to charge the application of certain regulations, not to State officials, but to those local officials who must be regarded as the confidential agents of the local population. Under the democratic system of "responsible government," it is not appropriate, however, that those called upon to promote the interests of the population should not be accountable to the population's representatives.

This is all the more important because, if one does not concede accountability to the representatives of the local inhabitants, there is no responsibility to anyone. At least, not as far as the college of Burgomaster and Aldermen is concerned—I will speak about the Burgomaster's position later. The college of Burgomaster and Aldermen is entirely independent of the Central Government. The latter has no influence at all on the appointment and dismissal of Aldermen. Consequently, if this college neglects its duties in the field of functions delegated from the national economy, the outcome is that another authority appointed by the law for the purpose personally performs the duties left unattended to by the Burgomaster and Aldermen. This is, of course, an exceptional expedient. And it is highly unsatisfactory that such a measure should be possible without the Council itself having the right to call the college of Burgomaster and Aldermen to account, especially in view of the fact that the Council is empowered to deprive an Alderman of his function, should he fail to account properly for the administration of the municipal economy.

#### *Position of the Burgomaster*

I should like now to proceed to the real subject of this report, which is the position of the Burgomaster. Here the very first thing which strikes one is the provision charging the Central Government with his appointment. There can be few States blessed with independent local governments in which the man placed at the head of such governments is not appointed by the representatives of the local inhabitants or even, in some cases, by the citizens themselves. Not only is this not the case in Holland, but the Municipal Council is even excluded from exerting any influence at all on the appointment. It is not asked to put forward or recommend any candidates

it thinks suitable. The Council, on which the Constitution confers the right in so many words to champion the interests of its municipality or of the inhabitants before the Queen, could, indeed, make use of this power to bring its wishes as regards the appointment of a Burgomaster to the attention of the Government. This is not, however, the practice. It can accordingly happen that an appointment is so displeasing to the Council that the latter considers itself obliged to make its feelings known by means of an explicit statement. This can be unpleasant for the Burgomaster concerned, though this need not be taken too seriously. In the great majority of cases, the Council's displeasure is not so much concerned with the personality of the man appointed as with the party political relationships. These can be such that the majority of the Council would have preferred a Burgomaster of another political complexion than the man actually appointed.

### *Party Politics*

This automatically brings me to the question of the extent to which politics play—and ought to play—a role in the appointment of a Burgomaster. In those countries in which the Burgomaster is appointed by the Council, it is evident that, if election to the Council is itself on a political basis, the appointment of the Burgomaster will also be subject to political influence. As regards Council elections in Holland, it can fairly be stated that the days when they were of a non-political character are long past. They were already over in the years prior to 1919, when Municipal Councils were elected by majority vote. And since the system of proportional representation was introduced into municipal elections for the first time in that year, these days belong absolutely to the past, except in those municipalities where practically the entire population is of the same political complexion. The fact that the Council appoints the Aldermen, but not the Burgomaster, can sometimes lead to difficulties when the college of Burgomaster and Aldermen is to be chosen. In far and away the majority of large-size municipalities, it has become the custom since the introduction of proportional representation to make this college more or less a reflection of the Council. Thus it does not usually come about that a majority party in the Council demands all the Aldermen's seats for itself; it is the custom for one or more places to be allocated to the minority. Now, it is clear that, if one desires to compose a college more or less on the basis of proportional representation, one of whose members (the Burgomaster) has already been appointed beforehand, a difficulty can arise. If that one member is of a certain political complexion, is this to be taken into consideration or not? This question is sometimes answered in the affirmative, sometimes in the negative. It is obvious that the attitude the Burgomaster himself adopts plays a role here. If the man in question is one who endeavours as far as possible to hold himself aloof from political controversy and to act as the impartial leader of discussions in the Council and in the college of Burgomaster and Aldermen, the Council will be more inclined to leave him out of account when considering the political composition of the last-mentioned college than it would if, in the exercise of his function, the Burgomaster behaved more or less as a party man. To conclude from this, as is sometimes done in Holland, that it is accordingly desirable as far as possible to appoint Burgomasters who do not

belong to any particular political group would certainly be mistaken. The ability to remain impartial is a personal attribute, which by no means goes hand in hand with the public avowal of a given political line. One could be highly partial without needing to profess any political views.

It is clear from the foregoing that precisely by reason of the fact that he is not the Council's appointee, the Burgomaster is required to possess a high degree of tact. Indeed, the fact of his appointment proves no more than that he enjoys the confidence of the Government that appointed him. He still has to win the confidence of the Council. It goes without saying that in a country such as the Netherlands, governed as it is in accordance with a Constitution, the appointment of the Burgomaster—a royal appointment—involves Ministerial responsibility. In the large majority of cases this responsibility lies with the Minister of Home Affairs only. He proposes the candidate for appointment to the Queen. In the case of municipalities of more than 50,000 inhabitants and also the provincial capitals, irrespective of the number of their inhabitants, this proposal is not made before it has received the approval of the Council of Ministers (Cabinet). Whether the Queen always agrees to the proposal is not made public. Should she desire to see another appointed instead, this is only possible, of course, if the Minister is prepared to accept responsibility for this. One may say in general, therefore, that in actual fact appointment is the concern of the Minister of Home Affairs, or of the Council of Ministers, as the case may be.

This method of appointment sometimes gives rise to the complaint that the political complexion of the Minister, or of the Cabinet, plays too great a role in the selection of Burgomasters. Such complaints are by no means of recent origin only. They are probably as old as the Municipal Act, which celebrated its hundredth anniversary in 1951. If they are well-founded, such a procedure shows a want of appreciation of the position of the Burgomaster. That his appointment should take into consideration the political situation in the municipality itself I regard as self-evident. The Burgomaster must fit into the general atmosphere prevailing in the municipality and the political situation there plays a part in determining this, though it is certainly not the only factor which must be taken into consideration. That the political composition of the central government and not the political relationships existing in the municipality itself should be the criterion by which the appointment is determined is, however, quite a different matter.

#### *Crown or Local Appointment?*

I am aware that these observations give rise to the question whether it would not really be better if the appointment of the Burgomaster were made the task of the Municipal Council. For my part I should not advise such a change. I do not think it would be easy to secure the necessary parliamentary majority for it. As opposed to the disadvantages of appointment by the central authority there exist unmistakable advantages. In the first place, the existing method of appointment has created a certain tradition. If it had been decided at once, in 1851, to charge the Council with appointment, this would have been something quite different from deciding to do so at this stage, a century later. The practice of a hundred years has borne an influence on the character of the office. Before the introduction of the Municipal Act

both Burgomaster and Aldermen were appointed by higher authority. The first Municipal Bill had preserved this system. This Bill did not become law owing to the resignation of the Minister who had introduced it. The new Government gave preference to the system whereby the Council appointed the Aldermen while the Burgomaster continued to be appointed by the Crown. As a result, the office of Burgomaster has undergone a development substantially different from that of the Aldermen. Under a system entrusting all appointments to the Council, the relationship of the Burgomaster to the Aldermen would probably have remained that of a *primus inter pares*, which he was, at least in my opinion, prior to the introduction of the Act of 1851. In consequence of the difference in method of appointment introduced in 1851, he has gradually lost this character. He is not a kind of leading Alderman, but something essentially different. The local population look upon him as different also. The Alderman is regarded as the representative of a certain political policy. He is not expected to remain "above party politics." But this is expected of the Burgomaster, and the fact that he is appointed by a higher authority makes it easier to look upon him in this way. This naturally does not mean that the Burgomaster does not require the confidence of the Municipal Council for the proper exercise of his function. On the contrary, he will have to endeavour to win that confidence from all the members of the Council, irrespective of their political complexion. To win that confidence one of the first requirements will be that the Council shall be convinced that, despite his appointment by the Central Government, the Burgomaster is and remains the municipality's own man, who will vigorously defend its interests, even *vis-à-vis* the Government which appointed him. At the present time, when there is a strong tendency towards centralisation, this is more important than ever before.

Here I come to the Burgomaster's relationship to higher authority. It cannot be sufficiently emphasised in this respect that appointment by the Government does not turn him into an official subordinate to the Government. The Burgomaster is very definitely not an official, either of the State or of the municipality. He is subject to no orders, from whomsoever these may come. The only exception to this arises when a state of military or civil emergency is proclaimed. In that event, constitutional and legal powers can be transferred to another authority, either military or civil. In cases of this kind the normal apparatus of government no longer functions; they may therefore be left out of consideration in determining the normal position of the Burgomaster.

### *Independence*

The independence of the Burgomaster finds its expression in the oath he swears on accepting office. The oath is the same as that which the members of the Council have to swear, and amounts to nothing other than a promise of loyalty to the Constitution and the law and a promise to promote the welfare of the municipality. The difference between this oath and that sworn by an official becomes immediately apparent if we compare it, for instance, with that which the secretary of the municipality—the "Town Clerk"—has to swear. This latter oath also contains the promise to observe the orders laid down by the Council and thereby gives expression to the official's subordination to the municipal government. The Burgomaster has

no other superior but the law itself. This was demonstrated in the First Chamber of the States General, the Senate, about fifty years ago, by a Burgomaster of Amsterdam, who was at the same time a member of the Chamber. He complained in a debate with the Minister of Justice about measures taken by the State Police in his municipality. The Minister was of the opinion that he could rid himself of this affair by referring the Burgomaster to his "natural superior," the Minister of Home Affairs. The Burgomaster-Senator very properly rejected the idea of any subordination of this kind when he said that "the Burgomaster is not the errand boy of the Minister." The most a Minister can do, if he is of the opinion that a Burgomaster does not fulfil his task as he should, is to recommend his dismissal to the Queen. He cannot give the Burgomaster orders.

The Burgomaster possesses the same independence *vis-à-vis* the Council and the college of Burgomaster and Aldermen. He is indeed charged by the law to put the resolutions of the Council and of the college of Burgomaster and Aldermen into practice, but the law gives him at the same time the power to postpone the bringing into force of resolutions which, in his opinion, conflict with the law or the public interest. For our system of municipal legislation is such that while a large degree of independent authority is accorded to the municipal administration, the higher authority is nevertheless charged with the task of supervision. In a number of specified cases, this supervision consists in the fact that resolutions pertaining to these cases cannot come into force without the prior approval of higher authority. This higher authority is sometimes the Provincial Government and sometimes the Central Government. In addition, however, the Central Government is invested with general powers whereby it may annul resolutions of the Council and of the college of Burgomaster and Aldermen which it considers to be in conflict with the law or the public interest. The Legislature expects the Burgomaster to keep a watchful eye on this. If a resolution is nevertheless passed which in his opinion conflicts with the law or the public interest, the law prescribes that he shall not apply it. In that event it is his duty to communicate his views concerning such a resolution within twenty-four hours to the municipal body which has passed the resolution and also to the Provincial Government. The last-mentioned authority thereupon immediately reports the matter to the Central Government. If, however, the latter does not decide within thirty days to suspend or annul the resolution, the Burgomaster is obliged to bring it into force. It should clearly be understood that it is here a question of the Burgomaster's independent opinion. Even if he should be aware that the Central Government considers a resolution to be in conflict with the law or the public interest, if he does not himself share this opinion, he can, indeed he must, bring the resolution into force. If the Central Government should then wish to prevent the resolution from being brought into force, it is obliged to intervene itself by means of a decree suspending or annulling it. In the absence of such a decree, the Burgomaster cannot be instructed not to put a resolution into force.

#### *Delegation of Central Functions*

Finally, I should like to make a few observations concerning the position of the Burgomaster in the field of national functions delegated to a local

body. The municipal legislator of 1851 made no mention of him whatsoever in this connection. The Act spoke only of the Council and the college of Burgomaster and Aldermen as regards co-operation in carrying out measures decided upon by higher authority, making, as I mentioned earlier, co-operation on the part of the last-mentioned college the rule and that on the part of the Council the exception. In practice, however, matters were soon such that in the case of numerous laws it was the co-operation of the Burgomaster alone and not that of the college of Burgomaster and Aldermen that was requested. The attitude that it is not the affairs of the local community but of the State that are involved has probably contributed to this development. Why, indeed, should the representatives of the local population be called upon for the administration of matters which are not considered to be local affairs? There remained, however, the strange inconsistency that the system of "delegation" was praised on the grounds that the local organs of the Central Government would be better able to take local anomalies into account. What, one may ask, does the taking into account of local circumstances mean, if not the taking into account of the interests of the local population?

This whole system suffers from internal contradiction. The reasons for including the representatives of the local population for these matters are just as compelling as in the case of local autonomy proper. This seems to me to be obvious, not only for those who, like myself, deny the existence of any difference of principle between these two forms of administration, but also for those who cling to this difference. This is not to say, of course, that the Council should therefore be called upon to lend its co-operation in all cases in which use is made of municipal co-operation for the execution of regulations made by higher authority. This does not always happen either in the case of autonomy, in fact. Here the independent powers of the college of Burgomaster and Aldermen and of the Burgomaster also come into the picture. We are concerned here above all with the question of efficiency.

This same efficiency must be made the criterion for judging whether the Council, the college of Burgomaster and Aldermen, or the Burgomaster is to be charged with any task in the case of delegated national functions. We have seen that with functions in the municipal autonomy the Burgomaster is destined to fulfil only a limited function as an organ of administration. If one excludes the maintenance of public order, in which there are, as we know, special reasons which advocate the conferment of powers upon a one-man authority, the Burgomaster has little more to do in the field of autonomy than to attend to the formal carrying out of the resolutions of the Council, or of the college of Burgomaster and Aldermen. In the field of "delegated services," an entirely different development has ensued in the course of time. In this field the Burgomaster has been called upon to fulfil an ever-increasing number of tasks. And this has come about, despite the fact that in the original Act no mention at all was made of the Burgomaster as an instrument for this purpose, a situation which remained unaltered until the Act was amended in 1931.

In conferring power to administer certain national services upon the Burgomaster, matters have been carried much further than is, in my opinion,



consistent with the aim and nature of delegation. As far as the promotion of the interests of the local population is concerned, there must in general be very special reasons why the Burgomaster should be called in, and not either the Council, which is the direct representative of the citizens, or the college of Burgomaster and Aldermen, which is their indirect representative. One of these special reasons can be the necessity of coming to a very quick decision. And even when it is a case of taking simple executive measures, it can be exceedingly practical for the Burgomaster alone to be involved. It is quite a different matter, however, if the putting into force of laws which involve a considerable body of organised work is concerned. Such laws included, to mention only one example, legislation governing the rationing of food and clothing and the like, which was in force during, and for some time after, the war. In municipalities of any size this required the organisation of an extensive official service. It was a mistake then to make the Burgomaster solely responsible for this. Also because in determining the legal status of the officials employed in this service, the connection with other official services had to be borne in mind. In the larger municipalities, where, as I explained earlier, each of the Aldermen is given the task of attending to a specific department of municipal administration, staff matters are usually the concern of a single Alderman. From the standpoint of satisfactory administrative organisation, it would have been completely wrong to exclude this Alderman from any part in the affairs of the food office personnel, and to include him, while excluding the college of Burgomaster and Aldermen, would have clashed equally with our system of municipal government. The outcome was that, in numerous municipalities, rationing was dealt with, in practice, as the concern of the college of Burgomaster and Aldermen, however much it was formally the concern of the Burgomaster. Thus in practice a satisfactory solution was found, though this demonstrated at the same time that the legal structure was faulty.

#### *Increasing Centralisation*

Is there, I have asked myself, any connection perhaps between the growing endeavour to substitute the Burgomaster for the college of Burgomaster and Aldermen in the field of nationally delegated services and the tendency to increasing centralisation of government, of which there is as much cause for complaint in Holland as elsewhere? A connection in this sense, that the Burgomaster's independent position is losing appreciation in Central Government circles. Elsewhere in this report I mentioned the remark of a Minister of Justice who saw in his colleague, the Minister of Home Affairs, the Burgomaster's natural chief. One cannot warn too strongly against this idea. Should things develop along these lines and should national activities be entrusted in ever-increasing measure to the Burgomaster, a large part of locally administered services would cease to be exercised by an independent municipal organ of government, but be exercised instead by a subordinate of the Central Government. If this were to happen, delegation would have degenerated into what a Netherlands jurist has termed "dependent decentralisation." To watch against this is primarily the task of the Burgomasters. If they wish to fortify their position in this struggle, they should see to it that they make the Councils their bastion. I therefore consider

it to be of the utmost importance that they should always be prepared to answer to the Council for their conduct of affairs, even where the law does not oblige them to do so. By so doing, they will also be bringing matters of delegated powers into the open. In a paper published four years before the promulgation of the Municipal Act of 1851, its designer pointed out the great significance of publicity for the independence of the municipal administration. Municipal governments which remain in the dark, he concluded, will pay more attention to what comes from above than to the municipality, will be more attracted towards the State and provincial governments than to the local population, will display more docility than will. May the Burgomaster never forget this! If he fails to seek the support of the citizens' representatives, he will be all too easy a prey to higher authority.

But, above all, let him be mindful of the traditions of his office. It is difficult to point to magistrates more independent than the Burgomasters in the days of the Republic of the United Netherlands Provinces. That age is now past—and no one will desire its return—but it will not be unbecoming to any Burgomaster if he lets it be seen that something of the spirit of those former magistrates lives on in the Burgomaster of our own time.

## Scope for Management in Local Offices of Social Service Departments

By E. N. GLADDEN

*Dr. E. N. Gladden is an official in the Ministry of National Insurance and is well known for his books on Public Administration and the Civil Service.*

### *Preliminary Survey*

DEPARTMENTS with local offices have existed a very long time. From their early days the taxational authorities, the post office and, to some extent, the armed services have had to operate through a number of widely distributed offices, and in departments of this type the scope for management has always been wide and civil servants have been concerned with the principles and problems of management. Quite frequently the special needs of this type of organisation have been recognised by giving the work to specialist departmental classes recruited specifically for the work in question. Despite the advantages of an all-service pattern, as proposed in the Trevelyan-Northcote Report of 1853, there is a good case to be made for this alternative arrangement, particularly in services on the modern scale.

The advent of the welfare state has created special problems. Civil servants today are no longer confined to Whitehall, handling files and answering correspondence: they are stationed out in the field with the job of providing a specific service direct to members of the public. It is significant that when, with the passing of the Old Age Pensions Act in 1908, it was found necessary to station officers throughout the British Isles in order to deal with claims for pensions it was decided to give the work to the Customs and Excise Department which had suitable offices, although its work was of quite a different type. There did not yet exist a social service ministry to which the task could be given, and the job was not large enough to warrant the establishment of a new organisation.

The modern trend really began at about the same time with the setting up of Labour Exchanges (shortly afterwards legally renamed "Employment Exchanges") under the Board of Trade in 1909 and their gradual development under the new Ministry of Labour after 1917. It is significant that, for the National Health Insurance scheme launched in 1911, the managerial problem was largely solved by giving the work of local administration to a large number of geographically distributed and autonomous "approved" societies. The next important development did not take place until the early thirties when the new Unemployment Assistance Board established local offices throughout the country to pay supplementary allowances to the unemployed who had exhausted their right to benefit out of the Unemployment Insurance Fund. The Board has since changed into a National Assistance Board administering the more general assistance scheme which finally superseded the remnants of the old Poor Law in 1948. Latterly a Ministry of National Insurance has been established to administer a comprehensive system of social insurance, closely in line with the Beveridge proposals, through a widespread system of nearly a thousand local offices.

The three essential social service departments of Labour, National Assistance and National Insurance thus have upwards of 2,300 separate local offices throughout Great Britain. It is certainly not profitable to question the proposition that the contribution of management to the efficiency of such an extensive organisation can be considerable and of great importance. The size of these local offices varies from department to department and is considerably influenced by the type of area served: smaller offices, for example, are more likely to be found in rural areas where the population is sparsely distributed. There are some very small offices with staffs of less than ten and a very few large ones with staffs of over one hundred, but the typical office in all three Ministries has a staff of about thirty.

At this juncture a definition of management may be helpful. It is, it would seem, the activity which is concerned with the arranging and control of a block of work and it implies taking responsibility for results. Management is, in fact, the middle term between policy-making and operation, although on occasion the manager does both and it would be unrealistic in practice to attempt to divide the processes of deciding, arranging and operating into three hard-and-fast categories.

Problems of management are bound to be simpler in a concentrated organisation with few, if any, field offices. Since members of the Administrative Class do not usually work outside headquarter offices it is obvious that in departments with a multitude of local offices sited throughout the country managerial functions have to be exercised by officers of other classes, for it is certain that wherever there is an isolated unit with some degree of autonomy there is a need for effective management.

#### *Management and the Central Departments*

Management finds its widest scope in organisations in which a maximum amount of autonomy can be given to the manager. In other words, where the manager is tied hand and foot by a code of rules and regulations scope for his managership can be little more than nominal. From this standpoint it is to be recognised that within the public services, where accountability to Parliament and equality of treatment of the public are so important, managership is bound to be more restricted than in the field of private enterprise. But the distinction ought not to be exaggerated. All managers have to work within the policy decisions determined elsewhere and to the general rules and practices applicable to their particular line of business. The difference is one of degree rather than of kind. The fundamental problem is to combine the essential checks and safeguards of public service administration with the maximum attainable degree of managerial flexibility. This may ultimately rest upon two factors, namely: (1) the ability of the regulatory authorities within the department to appreciate the needs of management and so to formulate the department's internal instructions as to leave at the periphery sufficient scope for management; and (2) the capacity of the individual managers both to accept responsibility and to produce effective results.

It is possible for the regulatory branch to attempt to meet every eventuality by making the regulations so detailed as to leave no room for choice. Of course, they are bound to fail, if merely because human reactions to any

situation are so infinitely varied, and all the time the situation itself is developing. In any case it is not possible to manage by remote control: the manager must be on the spot, taking responsibility all the time for what is going on within his sphere of authority, reacting to the changing situation around him and reaching expeditiously the decision called for. However, assuming that the manager is given room for manoeuvre, he must be willing and capable of accepting his responsibilities and acting accordingly. Authority will always be available when called upon to advise and to interpret, but if the manager burks responsibility and cannot stand on his own feet his constant appeals will soon indicate his limitations, and then the authorities may find it difficult to resist the temptation to fill up the gaps, if possible, by constantly amplifying the regulations. It is essential to avoid sacrificing the good manager to the timid manager and, therefore, the existence of a sufficient pool of good managerial ability is an important factor in the overall success of management. Although the manager works on his own he must not forget that he is a member of a managerial group whose general reputation and success depends to no small extent upon his personal contribution.

#### *Management Factors in Social Service Ministries*

Within a large regionalised department management is widely spread over a number of local offices. The method of work distribution adopted in a social service department means that each of these offices is a multi-purpose unit covering in miniature practically the whole work of the department. There are four broad factors operating within or upon each unit which it is the manager's job to co-ordinate in such a way that the maximum advantage is derived for the achievement of the department's objectives. These are: (1) the work processes; (2) the staff; (3) the office; and (4) the public. Let us examine these briefly.

(1) The work processes are largely determined by the law and instructions with which the manager must ensure that his staff comply. But there are special cases which the instructions do not precisely cover and upon which decisions have to be reached; there are matters of detail into which the instructions do not go and concerning which there is a discretionary margin, and there are the basic office procedures the precise shape of which will depend to a large extent upon the size of the unit and the vocational competence of the staff.

(2) The staff are recruited and organised in accordance with the general Civil Service pattern. The manager can only exercise discretion when he appoints a temporary officer and here his range of choice will obviously be restricted by the number and quality of applicants locally available at the time the vacancy has to be filled. Much will depend upon his decision, within the first few weeks of temporary service, on whether or not the newcomer is likely to become a useful member of his grade. After that it will be much more difficult to get rid of an unsuitable officer. The manager contributes effectively to personnel management by providing accurate staff reports at the various stages—probation, annual and promotion—for the wider staffing position is largely based upon the validity of such reports. The manager exercises discretion in allocating the members of his staff to

appropriate duties and also in the efforts he makes to ensure that they are adequately trained. But his overall responsibility under this heading is to mould his staff, with their diverse personalities, into a team both enthusiastic and capable in their service to the public. It is here that the qualities of leadership tell.

(3) The office itself is important in the present connection. Conditions vary infinitely and some offices are more conducive to the efficient conduct of business than others. Time may be lost because there are too many floors; organisation may suffer because there are too many small rooms or because, owing to structural weakness, heavy filing equipment cannot be placed in the most effective positions. It may be necessary to have the public office in another building or to split the organisation in other ways. The situation of the office in relation to transport may affect the punctuality of the staff; poor office conditions may mean higher sickness absences; the existence or otherwise of restaurant facilities within the neighbourhood may have a perceptible effect upon the general efficiency. The manager cannot do much to alter the material conditions, but it is his job to make the most of the resources at his disposal.

(4) The public and the general environment cannot be ignored. Good public relations are essential, both with the ministry's individual clients and with the various local interests. The work of the local office will be influenced by the type of neighbourhood and the social conditions. Some areas have higher sickness rates than others; some have mines and heavy industries; some are predominantly urban, others spread out over a wide agricultural community; some may have a high percentage of leisured persons who are perhaps not so co-operative with the social administration; and some have a higher percentage of clerical workers available for selection when vacancies arise. All these factors and many others contribute to determining the character and personality of the office. Consequently the different offices present a varying range of problems to the manager, who needs at least to understand the assumptions involved even if in many cases he can do little to change the position.

Under any one of the foregoing headings the scope for management may be little more than marginal, but taken together there is a great variety of possible combinations with differing efficiency potentials and the manager, in seeking the best all-round integration of those factors, will find that he has quite a wide scope for the exercise of his managerial aptitude. A fifth factor, should, indeed, now be added to the list, one that acts upon all the others, namely:

(5) Managerial ability.

#### *The Extent of Management*

The question that now arises is: What is the size of the job? There are in fact really two questions, namely: (1) "How much time does the manager spend in managing?" and (2) "Does anyone else in his office share in management?"



As regards the first, it depends mainly upon the number of levels of authority in the hierarchy, therefore upon the size of the office. In a small office the manager, in addition to being manager, may be the only supervisor and he will have to do everything a supervisor does and much else, for he must touch upon all aspects of the work. Such a manager must be a real Admirable Crichton. In the larger office, on the other hand, the manager will spend all his time in managing. He will not have time to know all branches of the work in such detail and if he attempts to do so he will find that he is neglecting his fundamental task of managing. Some senior managers tend to ignore this point. They prefer to do some "real" work and they often help out here and there. In an emergency this may be justified, for then everyone should be prepared to "take off his coat," but even under such conditions the practice has its dangers. Under emergency conditions more management rather than less is called for. The manager who is slogging at a clerical job, which is sufficient to call out all the energies of the normal worker, will not have time to keep his fingers on the reins and things may begin to slip before he knows where he is.

With regard to the second question the size of the office is again important. Obviously where the task of management is less than sufficient to occupy one full-time manager there is normally less reason for diffusion of management. Even here, however, it is possible for the manager to keep too much to himself. He probably has a deputy who acts for him in his absence and it is the manager's duty to ensure that his deputy is properly informed on matters of importance in running the office. It is too late to wait for the emergency to arise.

In a larger office the manager must be able to delegate responsibility. In practice there is no hard and fast line to be drawn between management and supervision. All supervisory staff may well be considered as constituting "the management." The supervisors are the manager's aides and certainly members of the intermediate grades (such as Higher Executive Officers) in a large office will be performing some managerial work. Capacity to delegate responsibility is therefore an important managerial quality. Some managers fail in this because they cannot trust other officers to carry out work for which they feel a special responsibility or they tend to negate delegation by constantly interfering with their subordinates and thus undermining their sense of responsibility.

A note of warning needs to be struck here. Delegation does not mean derogation of a manager's over-all responsibility. He is still responsible for results and cannot "pass the buck" to his subordinates. It may be an explanation, but it is not an excuse that failure is due to the mistakes of a subordinate. This to some extent accounts for the chariness of some managers to delegate. They have been bitten once and do not intend to take any more chances.

From all this it is clear that in a large office management is essentially hierarchic in form and this division of labour (which is inseparable from large-scale organisation) adds to the problems and difficulties of the manager. This means that the scope of management is widened by division and the scope for management is extended because of the introduction of new complexities into the work of the manager.

*What Does the Manager Really Do?*

It was suggested at the outset that management was concerned with the arranging and control of a block of business and that it implied taking responsibility for results. Certain other factors in management have since been examined, but it is still doubtful whether we have a clear picture of what management really is. Indeed, this is not an unusual situation. Readers of the many excellent books on management, mainly about experience in the industrial sphere, may be forgiven if they sometimes come away with a similarly woolly impression of what management actually is. What does the manager do? How does he spend his day? Some more definite answer to these questions appears to be called for if a really useful conclusion on the scope for management in social service departments is to be reached.

The manager's main functions depend upon certain imponderables; on character and experience rather than upon the knowledge of some specific technique. The art of management is a personal art which, like other arts, is most clearly judged by results. The means to achievement are infinitely varied and indeterminate.

The manager of a local office takes full responsibility for the working of his office and for the results achieved. It is essential that he should be able to see the situation as a whole and probably he will be the only person in the local office who is able really to do this. He must keep his finger on the pulse of affairs and know all the time how things are going. Much of his day's work will be designed to give him the facts that he requires and to enable him to maintain the contacts that he needs. He will, of course, not stop at diagnosis: he will set out to influence and alter the situation where he considers it necessary and it is within his power to do so. More importantly even, he will make his own contribution by setting the tone of the organisation. This is peculiarly his task. Unless by precept and example he sets a standard—for instance, in time-keeping—his subordinates are hardly likely to outshine him in this. It is no longer sufficient for the leader to live in a world of his own. "Don't do as I do, do as I say," is no longer a valid maxim in a democratic society.

Probably the first thing the manager does is to plan his day. It is a good discipline, but the manager must be accessible and for this reason, if for no other, the plan inevitably breaks down. Then there is his correspondence and at least a personal appraisal of any complaint that may be received in the local office. Very early in the day he will need to know the staffing position. His staff indicator or chart will help, but he may find it useful to have a sort of attendance sheet showing absences rather than attendances: this will give him a better view of the changing situation, as prospective absences can also be pencilled in. In a large office the manager may need to do no more about this: his senior supervisors will make their own arrangements to meet normal absences, but with the staffing picture in mind he can take action should the work situation demand. Alternatively, where a mobile relief staff is maintained as part of the organisation, the manager may himself prefer to control emergency allocations.

Work control is important at all times. If the office is so organised that the work is visually assessable the flow will be easily clear to the manager

who, during his tours of the office, will quickly detect if there is congestion somewhere. The good manager knows the feel of his office and is adept at smelling rats. Incidentally, good standards of tidiness will help here and it is a good idea to order a clearance of all desks before evening departure. The drill may take a few minutes, but it saves time in other ways, e.g., officers will not clutter up their desks with the sort of *bric-à-brac* that we all accumulate, once they realise that they have to shift it every night.

So much for immediate staff control and work control, largely from a quantitative angle: there is also quality control, which is much more a long-term matter. To assess the quality of the work there may be prescribed test checks, but tests which are obligatory can easily become perfunctory. A scheme of prescribed checks may lighten the task of general administration by ensuring a reasonable average of managerial supervision, but the system which gives most scope for management is the one that leaves the fullest discretion to the manager as to which tests he shall operate and judges the work entirely by results. The introduction of a systematic analysis of the errors discovered will be found very helpful in this connection.

There is also staff training which the manager has to plan. He will have the assistance of a training centre, but the most important part of training takes place in the office at the desk and the manager will be constantly concerned in seeing that his supervisors are grappling properly with this continuing responsibility.

The manager has many other responsibilities of which space admits only brief mention. Good public relations are important, as well as internal relations. The staff will need to be kept advised on matters that affect them. Sometimes it will be desirable to call special meetings for this purpose, and in larger offices the more formal Whitley machinery may be appropriate. At all times the proper ordering of the notice board is vital. The manager will certainly find a well-devised filing system for general management matters a great aid and he may even feel inclined to maintain a running commentary on important happenings and changes in his office for future reference. Every office should have its manager's log: though it is unlikely that the keeping of one is a very widespread practice. But this account has become little more than a catalogue and there is much that will have to be taken as read. After all it is the general approach rather than the varying detail that really matters.

In this connection there is one further matter that deserves brief reference. A special aspect of management is its essential loneliness. To some extent the manager must stand outside. He has his Regional Office and Headquarters on one side and his staff on the other. He can easily get an impression that he is a sort of official Aunt Sally and something must be done to exorcise this devil. The managers' meeting at Regional Office will help, but probably not enough. Managers in contiguous or like offices may get together voluntarily to talk shop a little less formally. This practice should be encouraged from above and developed by managers themselves. The discussion of mutual problems without restraint will strengthen confidence and broaden experience. It should also lead to the study of management by managers and the development of their techniques. They will soon discover that their loneliness can be exaggerated and that they have much to learn from one another.

*Management and the Future*

Where are we now? Enough has surely been written to show that there is a good deal in public office management and it should no longer be necessary to ask whether there is scope for management in the social service departments. There certainly is, and the greatest possible scope for good management. The quality of a great public service will surely be at its highest where the key posts of management are held by skilled managers.

It is true that management in the social service departments suffers from certain inevitable aspects of the Civil Service system, such as the application of general establishment arrangements which restrict the scope of the manager to change staffing factors within his field of responsibility. It is doubtful indeed whether the existing Civil Service structure, built up for very different purposes, is really suitable for executive social service departments. Furthermore the absence of incentives to seek technical qualifications will certainly be felt by most managers as a restriction on their power of influencing junior members of the staff to improve their professional knowledge and skills. But all these are matters of general Civil Service concern about which a quite different paper might have been written.

One general question should certainly be broached that has a bearing upon the general staffing problem, namely: "Should the manager begin at the bottom?" Those who believe that managerial ability is something with which a person is born will be inclined to plump for entry at an intermediate level. The real difficulty here is to devise and apply valid tests of managerial ability to the person who lacks practical experience, and despite modern advances in psychological and other tests it cannot be confidently felt that we know enough yet to be dogmatic about the practicability of this. It is an equally tenable assumption that management skill can disclose itself only through practice: it develops best under the impress of experience. Little has been said in this paper about the technical knowledge needed by the manager which varies from department to department. This is certainly best acquired basically so that, as the official rises in the management scale, he has a good fundamental basis of technical knowledge to which modest accretions may be made as he is expanding his skill in management. The officer who reaches a senior managerial position by this route will certainly find himself with the best sort of experience for his job. He will not only be able to appreciate better the viewpoints of the man at the desk, he will also be vividly aware of the difference in the managerial outlook of colleagues with more modest managerial assignments. Furthermore he will be able to see his own managerial experience as something that has dynamically extended and he will at least be inclined to suspect that there are wider managerial horizons in the hierarchy above him.

This may lead to the question whether the manager should become an expert or *vice versa*, or whether there should be distinct managerial and specialist careers. This problem could land us into considerable controversy. On the one hand there is the obvious need for the manager to have as good a promotional outlet as anyone and the fact that the manager turned specialist has a very valuable contribution to make. On the other hand there is the

undoubted truth that some are cut out for the individual job and others for the managerial task and that it is not always possible to give the one or the other pre-eminence. Fortunately we need not pursue this matter further in relation to our main topic, except to suggest that the scope for management in the social service departments will be widened insofar as the average manager feels that the system is not weighted in his disfavour.

Our problem is centred in making the most of the managerial possibilities of the system as it exists, and something can perhaps be usefully added on this point. Within the requirements of administrative uniformity, inseparable from the working of a ministerial department, it is still possible not to dot all the "i"s or to cross all the "t"s. It is possible to leave a degree of flexibility in the local application of procedures so that the manager's range of choice at any particular point can be left as wide as possible. This will enable him not only to exercise discretion, but also so to organise and run his office as to get the very best results through matching his resources to the infinitely variable local situation. Further, the managerial system will work best where the manager's difficulties are sympathetically appreciated by the rest of the organisation. It is easy for specialist officers to magnify the importance of their work and underrate the efforts of the man in the field. The best manager will always welcome advice, but resent dictation. The latter solution should not be resorted to unless there is no alternative. Managers are only human if they resent interference, but few will be so foolish as to reject the sound advice of the expert. The O. & M. officer and the auditor soon discover that they get most over when they avoid the dogmatic. Rarely is today's imposed solution as good as next week's agreed compromise, and the manager who gets it into his head that his decisions are made for him elsewhere very soon ceases to contribute anything to managership.

Within the environment set by the Civil Service pattern and the degree of flexibility encouraged by the department's administrative policy the manager has to operate. His scope may be restricted by these factors, but it is still considerable. The more he makes of the opportunities that are offered the wider may well be the sphere within which in the future he will be allowed to work. The existence of good management encourages the broadening of its scope even in a sphere in which so much must be prescribed. When every manager is prepared to accept the fullest responsibility, has the knowledge and capacity to size up the situation accurately, demonstrates his energy by keeping his fingers on the pulse of affairs and has effectually set the tone of his assignment, it will be clear not only that the scope for management in the social service departments is a very wide one, but that it is in the interest of the public service to explore how that scope may be still further developed. The truth is that the present situation has arisen very rapidly and it is difficult to place limits to the possibilities of the future. Much more thought needs to be given to these problems, and the managers themselves should be encouraged to make their own valuable contribution. A serious survey of the problems of local office management in the various ministries ought to be undertaken.

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## CORONA

Public administration can never be static. There must always be a moving forward. At the least there is always a search for increased efficiency and more up-to-date methods. At most . . . and at best . . . there is continual effort for much more than a faultless machine to cope with the growing complexities of social life. The good administrator knows that "the proper study of mankind is man" and that the path to progress in any field should be paved with human relationships through the understanding and willing acceptance by the public of administrative ways and means.

Nowhere is that path being followed more eagerly and with higher hopes than in the British Colonial Empire. Nowhere is it leading towards more fruitful change and more promising development in new conceptions of partnership between men of all colours and races in every sphere of administration.

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*Corona* is published monthly by Her Majesty's Stationery Office and costs 1s. 6d. plus postage 2d., or 20s. a year including postage. It may be obtained from any branch of Her Majesty's Stationery Office or through any bookseller.

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# The Financial Control and Accountability of Canadian Crown Corporations

By H. R. BALLS

*Mr. Balls of the Canadian Department of Finance describes the provisions for the financial control of public corporations in Canada since the passing of the Financial Administration Act, 1951.*

IN Canada, as in the United Kingdom and other parts of the Commonwealth, it is accepted doctrine that sovereignty in financial matters is vested in Parliament, and that Parliament has the right and duty to require from the executive such accounting as will ensure that public business is being administered in the public interest. Over the years, these twin concepts of legislative sovereignty and ministerial responsibility have been applied in the development of techniques of control that have been the source of some justifiable pride for those who see them in operation in their own system of government and of more than a little envy to those who look at them from outside. However, while these principles of public control and accountability have been applied with a marked measure of success to the traditional administrative business of government, there has arisen in recent years a question as to their application in a newer area of governmental activity, where the avowed aim is "to combine the advantages of private enterprise with public responsibility; to escape the dangers of bureaucracy by embracing the flexibility of commercial operation."

In Canada, as in the United Kingdom and other parts of the Commonwealth, the Crown corporation had come to play an important rôle in the sphere of public administration before the outbreak of war in 1939. Experience in wartime, when the Crown corporation was used successfully in many fields, confirmed the usefulness and efficiency of the corporate device, and the post-war years have witnessed a continuing reliance on this form of organisation for the management of many public enterprises. However, the creation of new corporations, and their use in new fields of public administration, emphasised the need for more comprehensive and systematic provision for the financial control and public accountability of these bodies, and for a clarification of the relationships between Parliament, Ministers, and the Crown corporations.

It is not the purpose of this paper to present a history of the public corporation in Canada or to consider whether the corporate device is the best form of organisation for the Crown to use for the management of its commercial enterprises. Rather the aim is a more limited one—to describe some of the practices and procedures that have been, and are being, developed in Canada for the financial control and accountability of Crown corporations of the federal government.

It is with this in mind that some consideration will be given to the statutory basis that Parliament has established for the financial control of Crown corporations by the executive government, the agencies through which that control is operated, and the fields in which it is applied. Con-

sideration will also be given to the extent to which Parliament has imposed a measure of financial accountability on these bodies, and the channels through which they render their accounting. However, before turning to these matters, it may be useful to give a brief account of the development of the Crown corporation in Canada and to mention some of the more important fields in which it has been and is being used.

#### *Development of the Crown Corporation*

The Crown corporation is not a recent innovation in Canada. Probably the earliest occasions for its use were in connection with the administration of harbour facilities. The Montreal Harbour Commission was established in 1852, the Quebec Harbour Commission in 1858, Commissions for Three Rivers and St. John in 1882, for Vancouver in 1913, Chicoutimi in 1926 and Halifax in 1927, but all of these were absorbed in 1936 by the National Harbours Board. Of existing bodies the oldest is the National Battlefields Commission which was created in 1908 to restore and preserve the historic battlefields at Quebec, although the Ottawa Improvement Commission, the predecessor of the present Federal District Commission, was established in 1899 for the beautification and improvement of the national capital. By the outbreak of war in 1939, Crown corporations had been established in many varying forms and for many purposes. They were being used for the management and operation of railway, steamship and air transportation services, the administration of harbour facilities, and the marketing of wheat; the administration of a central banking system and the extension of long-term mortgage credit to farmers; and the operation of a national broadcasting service and the administration of a local relief and rehabilitation programme following a disastrous explosion in Halifax.<sup>1</sup>

With such markedly different purposes, it is not surprising that there was no typical formula for control and accountability and that the powers and duties allotted to these pre-war bodies showed many marked differences. Excepting only the Canadian National (West Indies) Steamships Limited, which was formed under the provisions of Part I of the Companies Act, and the Halifax Relief Commission, which was incorporated under an Act of the legislature of the Province of Nova Scotia, they were all constituted as bodies corporate by special Acts of the Parliament of Canada which defined their purposes, powers and responsibilities, set limits to their authority, and provided in varying measure for the appropriation of funds, the control of budgets, investments, borrowing and contractual commitments, the keeping and auditing of accounts, the retention or surrendering of profits and the provision for deficits, the preparation of financial statements and reports and their submission through the competent minister to Parliament.

In World War II, the urgencies of war created many procurement, production and distribution problems and the solution of many of these was entrusted to Crown corporations. It is interesting to note that in setting up most of these bodies the procedure adopted in the case of the Canadian National (West Indies) Steamships Limited was followed. Immediately after the outbreak of war, the Department of Munitions and Supply was established and the Act under which it was set up granted extensive powers to the minister with respect to the procurement of supplies and munitions

of war and the execution and carrying out of defence projects. In 1940, the Act was amended to authorise the minister to procure the incorporation of companies under the federal Companies Act, 1934, or under any provincial Companies Act, to which he might delegate any of the extensive powers and duties conferred or imposed on him under the Department of Munitions and Supply Act or any order in council.

Under this legislation some twenty-eight companies<sup>2</sup> were created during the period of the war, and were used for many varied purposes. They were established to obtain wool, silk, nylon, kapok, sitka spruce and natural rubber and to produce munitions, optical glass and radar devices; to supervise a chemical and explosives programme and a synthetic rubber plant; to administer a naval shipbuilding yard and a cargo ship construction programme; to allocate and distribute machine tools and gauges and to salvage and recondition machines and cutting tools; and to develop housing projects in industrial areas, supervise the development of new oil wells, and mine and process radium and uranium.

Relying on the more general powers of the War Measures Act, the provisions of the Companies Act were also invoked to procure the incorporation of companies such as Commodity Prices Stabilization Corporation Ltd., which was established to administer subsidy and bulk purchasing operations in connection with the Wartime Prices and Trade Board's price stabilisation programme.<sup>3</sup> In addition, commercial air pilots were recruited outside Canada by a corporation created under the Companies Act<sup>4</sup> and veterans' housing projects were administered under corporate management.<sup>5</sup>

Few of these wartime corporations were carried over into the post-war period; for the most part they were wound up as soon as their work was completed. However, the Unemployment Insurance Commission, the Export Credits Insurance Corporation, the Industrial Development Bank (a subsidiary of the Bank of Canada) and the Agricultural and Fisheries Prices Support Boards, which were established during the war period under the provisions of special Acts of Parliament, are still in operation.

In the post-war period a number of others including the Atomic Energy Control Board, the Canadian Commercial Corporation, the Canadian Maritime Commission, the Canadian Overseas Telecommunication Corporation, the Crown Assets Disposal Corporation, the Dominion Coal Board and the Eastern Rockies Forest Conservation Board (a joint enterprise with the Province of Alberta) were set up under special Acts. In 1951, Parliament authorised the establishment of the St. Lawrence Seaway Authority to provide a deep waterway between the Port of Montreal and Lake Erie, but at the time this paper is being written the members of the Authority have not been appointed. Following the successful experience in relying on the Companies Act for the establishment of the wartime companies, the incorporating powers under the Department of Munitions and Supply Act were continued by the Department of Reconstruction and Supply Act, and similar powers were granted under an amendment to the Research Council Act and under the Atomic Energy Control and the Defence Production Acts, and under these authorities Canadian Arsenals Limited, Northern Transportation Company (1947) Limited (a subsidiary of Eldorado Mining and Refining (1944) Limited), Canadian Patents and Development Limited, and Atomic

Energy of Canada Limited, were set up. In 1946, to provide for the regulation of the operation of Crown companies formed under the Companies Act, the Government Companies Operation Act was passed, but it was applicable only to a relatively small number of the companies,<sup>6</sup> and when the Crown Corporations Part of the Financial Administration Act came into operation, the financial provisions of the old Act which were covered by similar provisions in the new were repealed.

#### *The Financial Administration Act, 1951*

In December, 1951, the Financial Administration Act<sup>7</sup> providing for the financial administration of the Government of Canada, the audit of the public accounts and the financial control of Crown corporations, was enacted by the Parliament of Canada, and on 1st October, 1952, a proclamation was issued bringing the Crown Corporations Part of the Act into operation. (The other parts of the Act had come into operation on 1st April, 1952.)

#### *Classes of Corporation*

One of the more interesting features of the Act is the attempt that has been made to define and classify Crown corporations. A Crown corporation is defined in the Act as "a corporation that is ultimately accountable through a minister to Parliament for the conduct of its affairs." A three-fold classification of Crown corporations<sup>8</sup> as departmental, agency and proprietary bodies is established, and a systematic pattern of relationships between each class, on the one hand, and Parliament and ministers, on the other, is developed.

#### *Departmental Corporations*

Departmental corporations are defined as Crown corporations that are responsible for administrative, supervisory and regulatory services of a governmental nature and that are servants or agents of Her Majesty in right of Canada. They are in fact regarded as ordinary departments of government performing essentially departmental services that for one reason or another (usually for the sake of simplifying the processes of litigation) have been given corporate status. They are subject to the day-to-day direction and control of a minister; they must look to Parliament for annual appropriations to cover their financial requirements; and except in so far as they may be exempted by the special provisions of the Act under which they are incorporated or under which they operate, they are bound by the general provisions of the Financial Administration Act—the Canadian counterpart of the British Exchequer and Audit Departments Act—and the other statutory, constitutional and executive rules and precepts that limit and regulate the activities of ordinary departments.

#### *Agency Corporations*

Agency corporations are defined as Crown corporations that are agents of Her Majesty in right of Canada and that are responsible for the management of trading and service operations on a quasi-commercial basis or for the management of procurement, construction or disposal activities on behalf of the Crown. Like departments and departmental corporations they are subject to a considerable degree of ministerial control, but it is perhaps

possible to differentiate between the two groups by considering whether the minister's relationship to them is more nearly that of master and servant or principal and agent. Although no very clean-cut line of division can be made it would seem that a distinction has been drawn between a department as a servant of a minister and a corporation as his agent in the sense that a servant is one over whom the employer reserves the control and direction of the way in which the work is to be done and an agent is one who acts on behalf of a principal within the framework of broad directives. A common although not invariable characteristic of agency bodies is their normal dependence on Parliamentary appropriations for deficit financing. When the function is to provide goods and render services to government departments, they are usually reimbursed for their operating expenses from the appropriations of the departments benefiting from those services; when the function is to sell subsidised goods or services to the public, their operating deficits are usually charged to appropriations provided by Parliament for the purpose. In either case directly or indirectly they constitute a charge upon the public treasury and this dependence on Parliamentary appropriations for their financial solvency has been taken into account in determining the extent of control to be exercised over them.

#### *Proprietary Corporations*

Proprietary corporations are defined as Crown corporations that are responsible for the management of lending or financial operations or for the management of commercial and industrial operations involving the production of, or dealing in, goods and the supplying of services to the public and that are ordinarily required to pay their own way or, in the words of the statute, "to conduct their operations without appropriations." They are usually given a considerable degree of managerial freedom, such control as is exercised by the minister or the Governor in Council being comparable to that of a shareholder who holds all or a major part of the equity stock of a private corporation. For such companies, while a minister (sometimes subject to the approval of the Governor in Council) is usually authorised by Parliament to exercise the equity stockholders' rights of appointing and dismissing the directors and of requiring periodic reports or evidence of satisfactory performance, as in the United Kingdom he is not usually held responsible for the day-to-day acts of the servants of the corporation as he is for the acts of the officers of the department over which he presides. However, to preserve a satisfactory measure of public control and accountability there is sometimes a reserved right of intervening if the occasion arises to give advice or directions. A further distinction is that, since the amendment of the Income Tax Act in 1952, proprietary corporations are required to pay income tax in the same manner as any private company. As a result, as the Minister of Finance indicated when announcing the change of policy in his budget speech on 8th April, 1952, the corporations' financial statements may be expected to be more comparable with those of private industry and it may be possible to assess more readily the relative efficiency of their operations.

Although the Act sets out a general pattern or framework for the financial relationships of Crown corporations with Parliament and the ministry, it

is not and does not purport to be a complete and all-inclusive statement of those relationships. In the first place, some Crown corporations are not listed in the schedules and consequently are not subject to the Act, while others which are so listed are subject to it only to the extent that it does not conflict with the Acts under which they were created or under which they operate. Thus the Canadian Wheat Board, the Bank of Canada and its subsidiary, the Industrial Development Bank, which because of the special nature of their functions are not included in the schedule listings, are excluded from its application and are governed by the Acts incorporating them, are those joint enterprises of the federal and provincial governments, such as the Eastern Rockies Forest Conservation Board and the Halifax Relief Commission, created to further the conservation and development of natural resources or to administer emergency relief projects in connection with floods and other localised disasters which in their magnitude assume the dimensions of national calamities.<sup>9</sup>

In all, thirty-three corporations were declared to be subject to the legislation and are listed in schedules to the Act according to the class in which they fall. Thus, ten corporations were listed in Schedule B to the Act as departmental corporations,<sup>10</sup> eleven in Schedule C as agency corporations<sup>11</sup> and twelve in Schedule D as proprietary bodies,<sup>12</sup> and provision is made for the Governor in Council to add to the appropriate schedule any other Crown corporation that may fall within the definition of that class. (Atomic Energy of Canada Limited was subsequently added to Schedule C as an agency corporation.) It is recognised in the Act that the function or nature of the operations of a corporation may change and that a corporation that, perhaps, at one time was undertaking essentially agency operations may be required to undertake operations that are more closely akin to those of proprietary bodies. For example, a corporation that in the initial stages of its operations is engaged in a major construction programme may require the outlay of substantial amounts of public money, and to ensure that there is adequate control and accountability it may be classed initially as an agency body. When the construction work is completed, it may sell its goods and services to the public on a commercial basis and may no longer need to be financed by appropriations. Under such circumstances it may be more appropriate to give it a greater measure of independence and to class it as a proprietary corporation. Accordingly, the Act permits the Governor in Council to delete the name of a corporation from any of the schedules, but to ensure that it is not removed entirely from the operation of the Act he must thereupon add it to one of the other schedules.

As has been pointed out, the Crown Corporations Part does not apply to departmental corporations which are governed by the provisions of the Act that are applicable to departments generally. For agency and proprietary corporations, the terms of the Part apply, but it is specifically stated that, with certain exceptions with respect to auditing that will be noted later, in the event of any inconsistency between the provisions of the Part and those of any other Act, the latter prevail. As the Minister of Finance and his Parliamentary Assistant pointed out in explaining the measure in the House of Commons, the purpose was to establish a pattern and to lay the foundation for more systematic and more nearly uniform relationships



between Parliament, the Government and the several classes of Crown corporations, and to legislate with respect to these matters which the special Acts did not cover. At some future time, it was indicated, the financial provisions of the special Acts might be reviewed, but for the present it was proposed that they should continue to operate. In 1952, the Canadian Farm Loan Act was amended, and as this paper is being written, a bill is before Parliament to amend sections of the Canadian Overseas Telecommunication Corporation Act, in order to bring the corporation more completely within the framework of the Crown Corporations Part of the Financial Administration Act.

### *Financial Control*

The Act provides that the capital budgets of both agency and proprietary corporations, as approved by the Governor in Council on the recommendation of the appropriate minister<sup>13</sup> and the Minister of Finance, shall be laid annually before Parliament. Agency corporations are also required to submit their operating budgets for the approval of the two ministers (but there is no specific requirement to lay these before Parliament), and may be required to have their contractual commitments scrutinised and regulated in accordance with conditions prescribed by the Governor in Council. For both agency and proprietary corporations, there is provision for prescribing the form in which budgets should be prepared, for meeting emergency working capital requirements, and for regulating the establishment of reserves and banking accounts and the treatment of surplus moneys. The financial year of a corporation is declared to be the calendar year, unless the Governor in Council otherwise directs. The corporations are required to keep proper books of account, and to make annual reports to the appropriate minister to be laid before Parliament with the corporations' audited financial statements. The form of these statements is subject to such directions as the Minister of Finance and the appropriate minister may jointly give, but must include a balance sheet, a statement of income and expense and a statement of surplus "containing such information as, in the case of a company incorporated under the Companies Act, 1934, is required to be laid before the company by the directors at an annual meeting," and such other information in respect of the financial affairs of the corporation as the appropriate minister or the Minister of Finance may require. The auditor is required to report annually to the appropriate minister in terms that are specified in some detail in the Act—terms that are considerably more stringent than are required under the Companies Act. Where there is no specific provision for the appointment of an auditor, or the auditor is to be appointed pursuant to the Companies Act, the Act provides that the Governor in Council shall designate the auditor, and for this purpose "notwithstanding any other Act" the Auditor General is declared to be eligible for appointment as auditor or joint auditor of any Crown corporation. Some of these provisions will now be considered in greater detail in the paragraphs which follow.

### *Financial Year*

The Financial Administration Act provides that, unless Parliament or the Governor in Council directs otherwise, the financial year of the Crown

corporations shall be the calendar year. Apart from the Canadian Wheat Board and the Industrial Development Bank, neither of which is subject to the Act, and the Canadian Sugar Stabilization Corporation, which has ceased operations and surrendered its charter, the financial years of all the corporations end either on 31st March or 31st December. However, there are practical advantages to be gained in designating the calendar year for the purposes of the Crown corporations. In the first place, it makes it possible to have the corporations' annual reports laid before Parliament earlier in the session than would otherwise be possible, thus facilitating parliamentary consideration of the reports. Moreover, as the Government's own fiscal year ends on 31st March, it is a distinct advantage to have the results of the financial operations of the corporations determined before the Government's books are closed so that operating deficits may be appropriated by Parliament and paid to the corporations, and operating surpluses (if required) paid into the Consolidated Revenue Fund within the fiscal year.

The calendar year also has another practical advantage in that it relieves the Auditor General from the concentration of audit work which would result if the financial year of every corporation of which he is auditor ended on the day the Government's fiscal year ends.

However, although the Act enunciates the general principle that the corporations' financial years should not coincide with the Government's fiscal years, it should be noted that this is not an immutable rule and for a number of corporations, such as the Canadian Commercial Corporation, Crown Assets Disposal Corporation, the Federal District Commission and the National Battlefields Commission, the fiscal year-ends are fixed by statute at 31st March, and for others, such as Atomic Energy of Canada Limited, Canadian Arsenal Limited, the Canadian Broadcasting Corporation, the Canadian Farm Loan Board and the Northwest Territories Power Commission, they have been so fixed by the Governor in Council.

#### *Capital and Operating Budgets*

Both agency and proprietary corporations must annually submit capital budgets to be laid before Parliament, after approval by the Governor in Council on the recommendation of the appropriate minister and the Minister of Finance. These capital budgets are not submitted in great detail—usually only the major projects or expenditure categories are set out—but in practice they usually include estimates of proposed capital expenditures for land, buildings and equipment, increases in the working capital and amounts required for redeeming maturing indebtedness, together with some indication of the sources from which the funds required will be obtained—that is, whether from surplus earnings, depreciation or other reserves or from borrowings from the public or the Government. The approval of the budgets does not constitute authority to borrow—this is granted by Parliament, either annually or in a general continuing authority for the corporation to borrow up to a specified limit, and is usually subject to the approval of Council. Agency corporations are also required to submit their operating budgets for the approval of the two ministers. While there is no specific requirement in the Financial Administration Act to lay these operating budgets before Parliament, two proprietary corporations, the Canadian National Railways

and the Canadian Overseas Telecommunication Corporation,<sup>14</sup> are now required to do so by the terms of their specific Acts, although proprietary corporations generally are not required to submit operating budgets for the approval of the ministers or Council or for tabling in Parliament, presumably on the ground that they should be freer than agency bodies in the management of their own affairs. However, for both groups the scope and scale of their operations become matters of concern to the House when appropriations are sought to cover operating deficits and are legitimate subjects for criticism and debate when the relevant estimate items are under consideration in the Committee of Supply.

### *Financing*

Apart from a provision for making working capital advances to Crown corporations, there is no specific provision in the Financial Administration Act for financing the capital and operating requirements of the corporations. Moreover, as the advances under the Act may only be made to provide working capital, as they are limited to a maximum of five hundred thousand dollars to any one corporation at any time and as they are repayable within a period of twelve months, the authority is a very limited and restricted one. In fact, it seems clear that it was intended only as an emergency measure to meet urgent and unforeseen requirements, for Parliament has made other provisions for the major financing requirements of the corporations.

Usually the authorised or permitted methods of raising funds for the capital purposes of a corporation are set out in the company's statute of incorporation, but provision may also be made in special statutes or in votes in the annual Appropriation Acts. In practice the capital requirements are provided from one or more of a number of sources. They may be derived from the operating revenues or internal resources of the corporation (in so far as these are available and are not required by law to be paid into the Consolidated Revenue Fund), from the sale of bonds or debentures to the public (with or without the guarantee of the government), from loans, advances or outright grants out of the Consolidated Revenue Fund, or from the sale of equity stock to the Government.

Few Crown corporations have been able to finance their capital requirements by revenues earned from their operations or from amounts set aside as depreciation and other reserves, and with the amendment of the Income Tax Act in 1952 making the income of proprietary Crown corporations subject to tax there will be even less opportunity in the future. However, some corporations, such as the Bank of Canada, Central Mortgage and Housing Corporation, Canadian National Railways, Eldorado Mining and Refining (1944) Limited, Polymer and Trans-Canada Air Lines, have been able in the past to meet all or part of their capital requirements from surplus accumulations, depreciation or debt discount reserves and other internal resources.

The most common methods of financing are by the issue of share capital to the government and by borrowing from the Consolidated Revenue Fund. Direct borrowing from the public, with or without the guarantee of the Government, is the exception rather than the rule and is usually subject to careful scrutiny and control by the Minister of Finance. However, several

Crown corporations have the right to borrow from the public in their own names and in their own way without restriction or control by the Treasury Board or the Governor in Council. Thus, the Canadian Wheat Board may enter into ordinary commercial banking arrangements on its own credit and may borrow money on the security of grain held by it without reference to the Governor in Council, but the authority of Council is required before the Minister of Finance may guarantee advances made to the Board or make loans or advances to it out of the Consolidated Revenue Fund. The Export Credits Insurance Corporation, the Canadian Farm Loan Board and the Industrial Development Bank may issue and sell bonds and debentures with the approval of their boards of directors (but only if the guarantee of the Government is not required), but the Canadian National Railways, Canadian National (West Indies) Steamships Limited, and the Federal District Commission must obtain the approval of the Governor in Council before they may borrow from the public, whether the securities are guaranteed by the Government or not. Companies formed under the Companies Act have borrowing powers under that Act, and on occasion some of these have resorted to financing by means of bank overdrafts, but this method is subject to strict control by the minister and the Governor in Council and is rarely used.

Some Crown corporations have been financed initially by the issuance of equity shares. As Dr. Hodgetts has suggested,<sup>15</sup> this method of raising funds can probably be traced to the arrangements made when the Bank of Canada was set up in 1934 as a privately owned public trust and ownership rights represented by shares were vested in private hands. In passing from this stage, through the period from 1936 to 1938 when in its second manifestation as a joint enterprise it combined the use of private and public funds, to its present state as a wholly publicly owned enterprise, the share capital structure of the Bank has been maintained, although the statutory dividends of 4½ per cent. on the share capital of five million dollars are dwarfed by the residual profits which are paid annually into the Consolidated Revenue Fund.

The Canadian Farm Loan Board, which was launched initially as a mixed enterprise, combining federal, provincial and private funds, now derives its resources from a combination of equity share financing and debenture borrowing from the federal government, and other Crown corporations such as Export Credits Insurance Corporation, Central Mortgage and Housing Corporation and Canadian Commercial Corporation have all or part of their capital represented by equity stock.

In the case of Crown corporations set up under the Companies Act, all the issued equity shares, except those used to qualify persons for appointment as directors, are vested in or held in trust by the minister for Her Majesty in right of Canada. However, as the purpose is primarily to ensure effective ministerial control rather than to provide a means of financing, and as funds are usually obtained from loans, accountable advances or outright grants out of the Consolidated Revenue Fund, the number of shares issued is relatively small. There are, however, some exceptions to this general rule. Thus Eldorado Mining and Refining (1944) Limited took over an existing enterprise and, in order to compensate private shareholders, funds for the purpose were obtained by the issue and sale of equity stock to the Government.

Polymer Corporation Limited, in common with most other Crown companies established under the authority of the Department of Munitions and Supply Act, was financed by advances from the Consolidated Revenue Fund and by retained earnings. In the fiscal year 1951-52, however, the capital structure of the Company was revised. Under the authority of a vote in the Appropriation Act, No. 2, 1952, Government advances amounting to forty-one million dollars were liquidated by the delivery to the Government of shares of capital stock and debentures of the corporation and the payment of three million dollars in cash, the net effect being that the former capitalisation of fifty-one million dollars represented by accountable advances and unappropriated surplus was reduced to forty-eight million dollars, of which thirty million dollars was in the form of capital stock, eight million dollars in debentures and ten million dollars in distributable surplus.

For Atomic Energy of Canada Limited, which was established in 1952 under the authority of the Atomic Energy Control Act, the initial capital was contributed in the form of real property, plant and other assets which had been built or acquired by the Crown out of grants provided by Parliament, but a vote in the Appropriation Act, No. 2, 1952, authorised the acceptance by Her Majesty of equity shares of the company in exchange for the assets.

Also in 1952, Parliament approved a major recapitalisation of the Canadian National Railways. In the previous year, a Royal Commission on Transportation had recommended *inter alia* that Government loans to the C.N.R. totalling 743.7 million dollars should be converted into 3 per cent. income debentures on which interest would be paid only if earned, that the railway be reimbursed for the operating losses of, and capital expenditures on, the Newfoundland Railway and Steamship Services, and that it be allowed to accumulate out of earnings a reserve or "something to come and go on." These recommendations were not accepted by the Government. Instead, under the Canadian National Railways Capital Revision Act, 1952, 50 per cent. of the railways' total fixed interest-bearing debt to the public and the Government at 31st December, 1951, was converted into 4 per cent. preferred stock. None of the debt due to the public was converted, but as the total debt amounted to 1,472.8 million dollars (consisting of 615.2 million dollars due to the public and 857.6 million dollars to the Government), Government loans totalling 736.4 million dollars were released in exchange for 736.4 million shares of 4 per cent. preferred stock. In addition, in order to give some temporary relief to the railway for the burden assumed by it in respect of the Newfoundland Railway and Steamship Services, the Act provided that interest on 100 million dollars of the remaining fixed-interest debt should be forgiven for a period of ten years. Finally, although profits when earned were to be paid to the Receiver General, in order to enable the railway to finance part of its annual capital requirements for additions and betterments by the issue of preferred stock rather than by the sale of interest-bearing debentures, the Government was authorised to purchase annually 4 per cent. preferred stock having a total par value equal to 3 per cent. of the gross revenues of the railways as certified by the external auditors.

Although it might appear from these capitalisation adjustments that there has been greater reliance in recent years on the issue of equity shares for financing the Crown corporations, it should be noted that in fact most

of the new capital has been provided on the basis of interest-bearing loans from the Government, and, to a lesser extent, by outright grants out of the Consolidated Revenue Fund. From the standpoint of efficiency, there are advantages in requiring a corporation to go to the public for its funds, for the need to maintain credit in order to raise capital on favourable terms is a strong incentive to economical and efficient management. However, from the standpoint of economy in borrowing and also of avoiding unnecessary competition for funds between Crown corporations and the Government in a money market as limited as that which prevails in Canada, the usual practice has been for the Crown corporations to rely on the government for their capital requirements (although on occasion the Canadian National Railways has raised capital by public offerings). Interest on such loans is usually set at rates comparable to those which the Government itself would have to pay for money borrowed for like periods under like terms and conditions, with a slight additional margin to cover other costs associated with the borrowing. As the interest rates on these loans are almost always less than if the corporation borrowed in the market on its own credit, it is usually to its advantage to finance in this way. Thus the Public Accounts of Canada record government advances of 158.8 million dollars to the Canadian National Railways in 1951-52 for capital expenditures, the retirement of maturing debt and the temporary financing of current operations. During the same period advances to Central Mortgage and Housing Corporation, the other major borrower, amounted to eighty million dollars and lesser amounts were loaned to the Canadian Broadcasting Corporation, the Canadian Farm Loan Board, the Canadian Overseas Telecommunication Corporation, the National Harbours Board and the Northwest Territories Power Commission.

The capital and operating requirements of most departmental corporations are financed like ordinary departments of government by outright grants of appropriations. Many agency corporations, including Canadian Arsenals Limited, Commodity Prices Stabilization Corporation Limited, the Federal District Commission and the National Battlefields Commission, receive some or all of their capital and working capital requirements on a similar basis from annual or statutory grants, while some, such as Canadian Patents and Development Limited, are financed in part by the appropriation of fees, licences, royalties and other revenue sources. The Canadian Broadcasting Corporation, a proprietary corporation, has been financed by the appropriation of radio licence fees, and a combination of interest-bearing loans, outright statutory grants, and retained earnings. However, in his budget speech on 19th February, 1953, the Minister of Finance announced that the radio licence fee would be abolished and that in place of revenues from this source the Corporation would receive in future the revenue derived from the special 15 per cent. excise tax now levied on radio and television sets, tubes and certain parts and accessories. In most cases of outright grants, however, it will be found that the corporation is undertaking on behalf of the government an operation that is not currently self-sustaining.

Operating deficits of both agency and proprietary bodies that cannot be met out of accumulated earnings are usually covered by appropriations voted by Parliament for the purpose. These deficiency appropriations are not treated as loans or accountable advances in the government accounts;



instead the usual practice is for the government to absorb the loss which is included as a charge in its budgetary expenditures for the year.

### *Profits and Surplus Moneys*

For most, but not all, Crown corporations, the statutes of incorporation give some direction as to how surplus moneys shall be applied. Agency corporations are usually required to surrender their profits to the Receiver General. The Canadian Commercial Corporation, which may retain for its own purposes all moneys received in the course of its business, is an exception, but even for it there is provision whereby the Minister of Defence Production may direct it to pay over to the Receiver General any of the moneys administered by it that he considers to be in excess of its requirements.

Proprietary bodies, as might be expected, usually have a greater degree of control over their own funds, and many are permitted to retain their profits. However, the practices followed differ from corporation to corporation. Thus the Canadian Broadcasting Corporation, the Canadian Farm Loan Board, Eldorado Mining and Refining (1944) Limited, Polymer Corporation Limited, and Trans-Canada Air Lines retain their profits. Central Mortgage and Housing Corporation and the Bank of Canada are authorised to retain their earnings to establish reserve funds, but when the statutory limits of these have been reached, any additional earnings are payable to the Receiver General. In the case of the Northwest Territories Power Commission surplus earnings are retained to be used subject to the approval of the Governor in Council in the reduction of rates to consumers, but Canadian National Railways pays over any annual profits to the Receiver General. In the case of both the Canadian Overseas Telecommunication Corporation and the Export Credits Insurance Corporation, there is provision for paying over excess moneys to the Receiver General on demand. The Financial Administration Act contains a variation of this provision whereby the Minister of Finance and the appropriate minister, with the approval of the Governor in Council, may require a corporation to pay to the Receiver General any moneys considered by the two ministers to be in excess of requirements to be used to discharge any debt owing by the corporation to the Crown or to be applied as revenues of Canada. This provision, of course, is operative only when it is not inconsistent with any special legislation applicable to the corporation. Moreover, as it is in effect an authority for Council to require the declaration of a dividend it is probably not intended to be used except under exceptional circumstances. Indeed, paradoxically, its very presence may obviate the need for its use.

### *Banking and the Investment of Idle Balances*

The designation of bankers and depositories for the Crown corporations is subject to the general control of the Minister of Finance. The Financial Administration Act permits a corporation, with the approval of the Minister, to maintain in its own name accounts in the Bank of Canada and such banks in Canada or financial institutions outside Canada as he may approve. Normally, commercial banking facilities are used, although on rare occasions the Bank of Canada has been designated as the depository for a corporation's cash balances. However, there is a further provision in the Act, authorising the Minister of Finance, with the concurrence of the appropriate minister,

to direct a corporation to pay all or part of its money to the Receiver General to be placed to its credit in a special account in the Consolidated Revenue Fund to be available when required for the purposes of the corporation. In effect the Receiver General becomes the corporation's banker. As the legislation has been in effect for only a short time this provision has not been relied on to any great extent, but by providing for the consolidation of balances it would seem that worthwhile economies in the overall management of cash balances can be achieved.

There is no provision in the Financial Administration Act for the investment in securities of moneys temporarily in excess of a corporation's current requirements, the presumption being that the arrangement whereby the Receiver General may be designated as the corporation's banker provides a satisfactory and sufficient alternative. However, the statutes under which many of the bodies are incorporated do contain such provisions. Thus the Canadian Farm Loan Board, Canadian Overseas Telecommunication Corporation, Central Mortgage and Housing Corporation and the Industrial Development Bank may invest their moneys in securities of or guaranteed by the Government of Canada. Export Credits Insurance Corporation may, without such restriction, invest its moneys "in such manner as the Board may from time to time determine," while companies formed under the Companies Act may invest and deal with moneys not immediately required "in such manner as may from time to time be determined" through one of the ancillary powers listed in section 14 of that Act.

#### *Accounts and Financial Statements*

The corporations' statutes of incorporation usually make provision for maintaining a system of accounting satisfactory to the responsible minister or (as, for instance, in the case of the Canadian Overseas Telecommunication Corporation) the Minister of Finance. Under the Financial Administration Act a corporation is required to keep proper books of account and related records and may make provision for reserves for depreciation of assets, uncollectable accounts and other purposes, but this latter provision is subject to any order of the Governor in Council made on the joint recommendation of the Minister of Finance and the appropriate minister. Annual statements of accounts must be prepared and for this purpose standards of disclosure and reporting comparable to those set for private companies are laid down. The Act specifically requires that, subject to such directions as to form as the Minister of Finance and the appropriate minister may jointly give, the financial statements shall include a balance sheet, a statement of income and expense, and a statement of surplus, "containing such information as, in the case of a company incorporated under the Companies Act, 1934, is required to be laid down before the company by the directors of an annual meeting," together with such other information in respect of the financial affairs of the corporation as the two ministers may require. In addition each corporation must make such other reports of its financial affairs as the appropriate minister requires.

#### *Audit*

The statutes of incorporation usually designate the auditor, although some acts merely provide for an appointment to be made by the Governor

in Council. However, in the case of the Canadian National Railways, the Canadian National-Canadian Pacific Act, 1933, provides for a continuing audit of the accounts of the railways "by independent auditors appointed annually by a joint resolution of the Senate and House of Commons." In practice, a special Act appointing the auditors is passed each year.

When the designation is by statute, the Auditor General is usually named, but when an act provides for an appointment by the Governor in Council, the practice has been to limit the choice to private auditing firms. Thus the Canadian Farm Loan Act, prior to its amendment in 1952 when the Auditor General was named as auditor of the Canadian Farm Loan Board, provided that the books of the Board should be audited by "a firm of chartered accountants appointed for the purpose by the Governor in Council." For Central Mortgage and Housing Corporation, the minister, with the approval of the Governor in Council, may appoint two auditors who must be "members in good standing of an institute or association of accountants incorporated under the authority of the Legislature of any Province of Canada." In the case of the Canadian Wheat Board, the Board, with the approval of the Governor in Council, is required to appoint "a responsible firm of chartered accountants for the purposes of auditing accounts and records and certifying reports of the Board." Under the Bank of Canada Act, the affairs of the Bank are audited by two auditors "eligible to be appointed as auditors of a chartered bank" named by the Governor in Council on the recommendation of the Minister of Finance. By statute the accounts of the Industrial Development Bank are audited by the auditors of the Bank of Canada and those of Trans-Canada Air Lines by an auditor named by the minister. However, in practice the air lines' accounts and those of Canadian National (West Indies) Steamships Limited (for which there is no specific statutory provision) are audited by the auditors of the C.N.R.

With these exceptions the accounts of Crown corporations are audited by the Auditor General and even in the case of these he is now eligible for appointment, for the Financial Administration Act provides that, notwithstanding any other Act, he may be appointed the auditor or a joint auditor of a Crown corporation. Moreover, to provide for those cases where the special acts contain no provision for the appointment of an auditor or where he is to be appointed pursuant to the Companies Act, the Governor in Council may designate the auditor.

Comprehensive audit directions are given embracing both the accountancy and authority aspects of the audit. The Act directs the auditor of each corporation to report annually to the appropriate minister and prescribes the general form of his report. He is required to state whether in his opinion proper books of account have been kept by the corporation, whether the financial statements were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account, whether the balance sheet gives a true and fair view of the state of the corporation's affairs at the end of the financial year and the statement of income and expense a true and fair view of the income and expense of the year, and whether the transactions that have come under his notice have been within the powers of the corporation. He is also required to call attention to any other matter falling within the scope of his examination that in his opinion should be

brought to the attention of Parliament. The auditor's annual report must be included in that of the corporation which must be laid before Parliament and in addition he is required to make such other reports to the corporation or to the appropriate minister as he may deem necessary or as the minister may require.

#### *Annual Reports*

The annual report of each Crown corporation, including the financial statement and the auditor's reports, must be submitted to the appropriate minister who must lay it before Parliament within fifteen days after he receives it or, if Parliament is not then in session, within fifteen days after the commencement of the next session. The reports are not usually the subject of debate and from time to time in Canada, as in the United Kingdom, it has been suggested that there is not sufficient time to consider them or to debate the activities of the corporations in the House. For those bodies which must come annually to Parliament for deficit appropriations or for additional funds for capital or working capital purposes, there is of course ample opportunity to discuss the corporations' operations during the debates on the Estimates. Moreover, as it is customary for the Canadian House to set up annually a number of standing or select committees on agriculture, banking and commerce, transportation, radio broadcasting, and the like, it is possible to refer the reports of most of the corporations to an appropriate committee for study. Thus in recent years the reports of the Canadian National Railways, Canadian National (West Indies) Steamships Limited and Trans-Canada Air Lines have been referred regularly to the standing committee on railways and shipping and, with somewhat less regularity, those of the Canadian Broadcasting Corporation to the committee on radio broadcasting and of Central Mortgage and Housing Corporation to that on banking and commerce.

In the second session of Parliament in 1951, the Standing Committee on Public Accounts of the House of Commons, which considered and reported on the bill for the Financial Administration Act, submitted a further report recommending that the annual report of every Crown corporation should be referred for study to a select committee of the House, and that the annual reports of all Crown corporations should be published together in one section of the Public Accounts. During the debate on the third reading of the bill, the Parliamentary Assistant to the Minister of Finance stated that in future the annual financial statements of all Crown corporations would be so published,<sup>16</sup> and pointed out that the Public Accounts Committee would be able to consider any report which did not fall clearly within the jurisdiction of existing committees. In this way, it would seem that a reasonably satisfactory procedure may be developed for dealing with the reports.

<sup>16</sup>The following Crown corporations were established prior to the outbreak of war in 1939: Bank of Canada, Canadian Broadcasting Corporation (originally the Canadian Radio Broadcasting Commission), Canadian Farm Loan Board, Canadian National Railways, Canadian National (West Indies) Steamships Limited, Canadian Wheat Board, Central Mortgage Corporation (reconstituted in 1945 as the Central Mortgage and Housing Corporation), Director of Soldier Settlement (a corporation sole), Federal District Commission (originally the Ottawa Improvement Commission), Halifax Relief Commission, National Battlefields Commission, National Gallery of Canada, National Harbours Board, National Research Council, and Trans-Canada Air Lines.

<sup>17</sup>These included Aero Timber Products Limited, Allied War Supplies Corporation, Atlas Plant Extension Limited, Citadel Merchandising Co. Limited, Cutting Tools

## FINANCIAL CONTROL AND ACCOUNTABILITY OF CANADIAN CROWN CORPORATIONS

and Gauges Limited, Defence Communications Limited, Eldorado Mining and Refining (1944) Limited, Fairmont Company Limited, Federal Aircraft Limited, Machinery Service Limited, Melbourne Merchandising Limited, National Railways Munitions Limited, Northwest Purchasing Limited, Park Steamship Company Limited, Plateau Company Limited, Polymer Corporation Limited, Quebec Shipyards Limited, Research Enterprises Limited, Small Arms Limited, Toronto Shipbuilding Company Limited, Turbo Research Limited, Veneer Log Supply Limited, Victory Aircraft Limited, War Supplies Limited, Wartime Housing Limited, Wartime Merchant Shipping Limited, Wartime Metals Corporation, and Wartime Oils Limited. For an official description of the organisation and activities of these companies see J. de N. Kennedy, *History of The Department of Munitions and Supply, Canada, in the Second World War*, Vol. I, pp. 286-520 (Ottawa, 1950). Also see Watson Sellar, "Crown Munition Companies," *The Canadian Chartered Accountant*, Vol. XLII, No. 6, June, 1943, pp. 402-409.

<sup>2</sup>Others were the Canadian Wool Board, Wartime Salvage Limited and Wartime Food Corporation Ltd. The latter was set up as a subsidiary of Commodity Prices Stabilization Corporation Ltd.; but subsequently its shares were acquired by the Minister of Finance and later the company was reconstituted as Canadian Sugar Stabilization Corporation Ltd.

<sup>3</sup>Dominion Aeronautical Association Limited.

<sup>4</sup>Veterans Housing Project (Ottawa) Ltd., Veterans Housing Project (Toronto) Ltd.

<sup>5</sup>Proclamations were issued declaring the Act applicable to Canadian Arsenals Limited, Eldorado Mining and Refining (1944) Limited, Park Steamship Company Limited, Polymer Corporation Limited, Wartime Housing (later reconstituted as Defence Construction (1951) Limited), Canadian Patents and Development Limited, and Northern Transportation Company (1947) Limited.

<sup>6</sup>*Statutes of Canada*, 1951, c. 12.

<sup>7</sup>For an interesting classification of public corporations see W. Friedmann, "The Legal Status and Organisation of the Public Corporation" in a symposium on the Nationalisation of British Industries, *Law and Contemporary Problems*, Vol. 16, No. 4, Autumn, 1951, pp. 579-80.

<sup>8</sup>More recent examples of federal-provincial joint enterprises are the Fraser Valley Dyking Board, established in 1948 by Canada and the Province of British Columbia, and the Greater Winnipeg Dyking Board, set up in 1950 by Canada and the Province of Manitoba. These bodies were created to supervise the work of constructing and reconstructing dykes in the Fraser and Red River Valleys following disastrous floods in those areas. After short but very useful lives, both have been wound up.

<sup>9</sup>The following were designated as departmental corporations: Agricultural Prices Support Board; Atomic Energy Control Board; Canadian Maritime Commission; Director of Soldier Settlement; The Director, The Veterans' Land Act (a corporation sole); Dominion Coal Board; Fisheries Prices Support Board; National Gallery of Canada; National Research Council; and Unemployment Insurance Commission.

<sup>10</sup>The following were designated as agency corporations: Canadian Arsenals Limited; Canadian Commercial Corporation; Canadian Patents and Development Limited; Canadian Sugar Stabilization Corporation Ltd.; Commodity Prices Stabilization Corporation Ltd.; Crown Assets Disposal Corporation; Defence Construction (1951) Limited; Federal District Commission; National Battlefields Commission; National Harbours Board; and Park Steamship Company Limited. Atomic Energy of Canada Limited was subsequently added to the schedule by the Governor in Council.

<sup>11</sup>The following were designated as proprietary corporations: Canadian Broadcasting Corporation; Canadian Farm Loan Board; Canadian National Railways; Canadian National (West Indies) Steamships Limited; Canadian Overseas Telecommunication Corporation; Central Mortgage and Housing Corporation; Eldorado Mining and Refining (1944) Limited; Export Credits Insurance Corporation; Northern Transportation Company (1947) Limited; Northwest Territories Power Commission; Polymer Corporation Limited; and Trans-Canada Air Lines.

<sup>12</sup>The Act requires the Governor in Council to designate an "appropriate Minister" for each corporation.

<sup>13</sup>Under the proposed amendment to the Canadian Overseas Telecommunication Corporation Act now before Parliament, the C.O.T.C. operating budget will not have to be laid before Parliament in future.

<sup>14</sup>J. E. Hodgetts, "The Public Corporation in Canada," *Public Administration*, Vol. XXVIII, Winter, 1950, p. 290.

<sup>15</sup>Financial statements of all Crown corporations together with the auditors' reports thereon were published in Volume II of the Public Accounts of 1951-52.

# THE CORPORATION OF SECRETARIES, LTD.

Founded  
1922

Incorporated  
1923

*President: The Right Hon. The Earl of Dudley, M.C., T.D., D.L., J.P.*  
*Secretary: George R. Drysdale, F.C.C.S., F.A.C.C.A.*

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# Dual Control in the Youth Employment Service

By K. H. B. FRERE

*This entry was awarded the Haldane Essay Prize for 1952. Mr. Frere is in the Bristol Regional Office of the Ministry of Labour and National Service.*

GREAT Britain's most valuable economic asset is the aptitude and ability of its working population, and the country's future depends almost entirely on the use which is made of its brain power and manual skill. The Youth Employment Service is the agency charged by Parliament with the responsibility of guiding young workers into the employment which will satisfy them and at the same time use their aptitude and ability to the full.

When we look at the organisation of this important Service, however, we find that it has been designed as much to satisfy the demands of central and local government as to do its work in the most efficient manner. The structure of the Youth Employment Service, like that of Parliament or the M.C.C., can be seen as logical only in the light of its history.

## Development

The social patterns of the nineteenth century so often dictated a boy's choice of employment that we have no record of any official help until the first years of the twentieth century. Specific "choice of employment" powers were given to the Scottish School Boards by the Education (Scotland) Act, 1908, of which the Edinburgh School Board took advantage; some authorities in England had used their powers under the Education (Provision of Meals) Act, 1906, to associate themselves with the social problems of pupils in their schools.

In 1909 the Royal Commission on the Poor Laws recommended the establishment of Labour Exchanges to reduce the incidence of unemployment among adults. At the same time it recognised the need for tackling the problem at source and advocated the development, in connection with the Labour Exchanges, of "a special organisation for giving boys, parents, teachers and school managers information and guidance as to suitable occupations for children leaving school." As a result of the Labour Exchanges Act, 1909, the Board of Trade began to set up or take over Labour Exchanges, but the Act had made no specific provision for young people, and it was left to the Boards of Education and Trade to devise a working arrangement. This arrangement was the beginning of the present system of dual control, since it allowed an education authority offering "choice of employment" facilities which were approved by the Board of Education to continue to do so, while in other areas the Labour Exchanges were to provide these facilities through Special (Juvenile) Advisory Committees. In all areas the Exchanges retained their power to register vacancies for juveniles notified to them.

The education authorities in England and Wales had no formal power to offer any employment facilities, until the Education (Choice of Employment)

Act was passed in 1910. This allowed authorities for higher education in England and Wales to make arrangements (with the approval of the Board of Education) for "giving assistance as to the choice of suitable employment to children up to the age of seventeen years, by means of the collection and communication of information and the furnishing of advice." In a joint memorandum, the Presidents of the two Boards recognised the need for co-operation between the educational and industrial authorities. Education authorities were urged to acquire powers under the new Act, since "the employment of juveniles should be primarily considered from the point of view of their educational interests rather than from that of their immediate earning capacities." Co-operation was to be achieved after the fashion of Alexander and the Gordian knot: education authorities were to give advice on the most suitable jobs for pupils, while the Labour Exchanges were to register vacancies and find posts for applicants for employment. These two functions were to be carried out in the same building, if possible, by officers of each authority. The Labour Exchange officer was in all cases to consult with the representative of the education authority before submitting the name of any boy or girl to an employer. This scheme, logical enough on paper, depended too much on the personal adjustment of two officers trained in different traditions and serving different masters; it was clearly asking the impossible to expect such an atmosphere to encourage agreement on employment problems for which there is seldom a categorical answer.

#### *The Chelmsford Report*

Soon after the 1914-18 war had ended it became obvious that neither the Ministry of Labour (which had taken over Labour Exchange work from the Board of Trade) nor the Board of Education was happy with the administration of the Education (Choice of Employment) Act, and education authorities with powers under the Act were pressing other authorities to follow their example. In 1919 the Association of Education Committees attacked "the interference of the Ministry of Labour in the administration of this Act," and the evident lack of harmony between the two Government Departments concerned was increased by the Unemployment Insurance Act, 1920, which was to be administered in its entirety by the Ministry of Labour.

Eventually Lord Chelmsford was asked to enquire into the operation of the Acts of 1909, 1910 and 1920, and the Education Act, 1918, so far as they affected the employment of young persons. In his Report, published in 1921, Lord Chelmsford recognised the conflict which was reducing the efficiency of the Service, but he was unable to decide between the claims of the education authorities and the Ministry of Labour to do the work. He recommended education authorities to take up powers under the 1910 Act, but he thought that those who did so should be responsible for the whole of the work, including vacancy work and the administration of Unemployment Insurance. Where education authorities were unwilling to do this, the Ministry of Labour was to provide the complete service.

This certainly clarified the local problem, but it increased the difficulties at the centre. Although the Minister of Labour was responsible to Parliament for Unemployment Insurance, the Board of Education also had a hand in

supervising the insurance work of education authorities. There was also the anomaly that a question in Parliament about juvenile advisory work would be answered by the President of the Board of Trade if the case arose in—say—Bath, but by the President of the Board of Education if it arose in Swindon.

### *The Malcolm Report*

In 1927 the first part of the report of the Malcolm Committee, on "the adequacy of the arrangements for enabling young persons to enter into and retain suitable employment," was published.<sup>1</sup> The Committee was satisfied with the arrangement which allowed the education authority to decide for itself if it wished to provide the service; it appreciated "some want of logic" in this dual provision, but did "not attach very much importance to abstract arguments in favour of uniformity." The Committee did not like the dual responsibility at the centre, and recommended that the Minister of Labour alone should be accountable to Parliament for all juvenile employment work, supervising the work of those local education authorities exercising powers. The Ministry of Labour (Transfer of Powers) Order of July 25th, 1927, gave effect to this recommendation, and at the same time the Ministry undertook not to require authorities to observe the codified instructions applicable to Employment Exchanges.

The integration of "choice of employment" facilities into a Juvenile Employment Service was now under way, and there was no further examination of its workings until 1934, when a "Joint Report on the Organisation and Development of the Vocational Guidance Service in Great Britain" was published for the National Advisory Councils for Juvenile Employment for England and Wales, and for Scotland.<sup>2</sup> This found no fault with the existing arrangements, of which the Councils were part, and proposed no alterations.

### *The Ince Report*

There was no further change until the Ince Committee reported<sup>3</sup> in 1945, when once again the "loosely defined diarchy" came in for criticism. The Committee also pointed out weaknesses resulting from the uncertainty of administration which existed as long as an authority could surrender or take up powers at three months' notice, and the inability of the Minister to insist on a common minimum standard of efficiency. Once again, however, it proved impossible to agree on which authority should provide the service. "We have no doubt," said the Report, "that this dual system can never be wholly satisfactory and we feel no hesitation in expressing our unanimous view that the only really satisfactory system can be one in which the work is done in all areas throughout the country by one organisation. Our unanimity disappears, however, when the question arises whether that local organisation should be the Ministry of Labour or the education authorities." The Committee approved a compromise which had been suggested in its terms of reference; the arrangement suggested has been followed very closely in the present organisation of the Service. This allowed each education authority to decide, once and for all by 12th January, 1949, whether it wished to provide the Service. A Central Youth Employment Executive was set up, consisting of three officials of the Ministry of Labour, one from the Ministry of Education,

and one from the Scottish Education Department. Non-official influences are represented on a National Youth Employment Council, which has separate Scottish and Welsh Committees.

The Central Executive was given power to handle all questions of policy, and in order to ensure that this policy is made effective and that common standards are universally achieved, the Executive is allowed to issue circulars of instruction to both L.E.A. and Ministry of Labour Y.E.Os. A team of inspectors advises and inspects the work of all Y.E.Os.

Seizing their last chance, a number of fresh authorities acquired powers; the pre-1945 figures (in brackets) are compared below with the present figures:

	<i>England</i>	<i>Wales</i>	<i>Scotland</i>
Counties .. ..	31 (7)	12 (Nil)	10 (Nil)
County Boroughs ..	69 (48)	4 (3)	3 (1)

The new arrangement, which has certainly helped to weld official vocational guidance work into a national service, has been accepted by most interested parties as an improvement on its predecessors. It remains, however, a compromise solution, and the importance of this work suggests that sectional prejudices should not be allowed to detract in any way from the efficiency of its performance.

#### *Central versus Local Government*

Youth Employment work is not the only field in which the partisans of local and central government are in arms against each other. The claims of local government here are based partly on the need for control of the Service to be informed by special local knowledge of conditions and community opinions. Mainly, however, they rest on the fact that education is in the hands of local authorities, and since youth employment work is so closely linked with education, it too should be controlled locally. It is argued that "education authorities must give a considerable amount of pre-vocational guidance in determining the kind of secondary course which children will follow" and schools, besides being skilled in the interpretation of school records, are in constant touch with the vocational interests of pupils and parents. If education is not to cease when the pupil leaves school, he may need to be kept in touch with the education authority, especially while he is learning his job. The County College will be a natural focus for problems about training and further education, vocational or purely cultural.

Education authorities also maintain medical and child guidance services, and help to organise youth service work, all of which are of value to the young worker.

On the other hand, the young worker starts his new industrial life the day he leaves school, not when he finishes his apprenticeship. There seems to be no reason why the first years of employment should be regarded as fundamentally different from the rest, and because of this the industrial authority should be concerned right from the start, overlapping with the education authority where necessary to ensure that both educational and industrial aspects of the choice of a job are recognised. In practice, the work of vocational guidance in schools is generally divided: the school

teacher or careers master provides as much appropriate information about the pupil as he can, and makes suggestions for further education, while the Y.E.O. with his wide industrial knowledge gives advice in the light of the information supplied by the school. In other words, the school staff can look after the educational aspects; the Y.E.O. must be the industrial expert and should surely belong to the industrial authority. If he does not, there can be no overlap between the two interests.

The difference in size between education authorities will also affect the efficiency of their youth employment work. The Y.E.O. working on his own (with perhaps one clerical assistant) for a small authority must be unusually gifted and particularly industrious if he is to offer the same degree of service as his colleagues in the next authority or in the Ministry working as part of a team. The smallness of the unit will, in addition, mean a lower salary and, unless the Y.E.O. is on his way to a better post, the chances are that he will not be of such a high calibre as the Chief Youth Employment Officer of a larger authority. He will, however, be expected to advise his Director of Education, the Further Education Sub-Committee, and the Education Committee on very similar technical problems. In an effort to offer a more attractive salary for the post, some authorities combine it with that of—say—School Welfare Officer, or even Principal of a Technical College, at the cost of divided interests.

The smaller unit will also be unable to provide some specialist services—for example, a staff able to concentrate on work for older pupils, or handicapped children. Where these services are proved to be necessary, they can only be provided by very large authorities or by the Ministry of Labour.

Large size can also be a handicap, if it is accompanied by a scattered population for which to provide. In spite of the enthusiasm of some education authorities, it is noteworthy that before 1945 not many of the thinly-populated agricultural counties thought juvenile employment work important enough or so much their concern that they were able to find the money to do it, even though a 75 per cent. grant was payable. Out of the ninety-four County Councils in Great Britain, only seven were administering the Service before 1945; even now the figure is only fifty-three, and without the comprehensive system of Employment Exchanges to use, most of the authorities rely extensively on offices open on one or two days a week only.

### *A National Service*

The most telling argument in favour of Ministerial provision is the growing unification of the Youth Employment Service. The foregoing historical survey has demonstrated the slow aggregation of a number of completely separate vocational guidance organisations into a national system which is now controlled in most of its details from the centre. Much of the power of decision once in the hands of local authorities has now passed to the Central Youth Employment Executive, watched over by the National Youth Employment Council. The need for a national system was obvious to the Ince Committee, whose "unanimous view" has been quoted above, and the Malcolm Committee listed at length the national functions of the Service. No matter where a boy or girl, or an employer, seeks the help of the Service, a minimum standard of efficiency should be available. The

negotiation of schemes for recruitment and training is nowadays the national concern of Joint Industrial Councils, and must be dealt with by an authority speaking for the whole country. The preparation of careers literature, the organisation of research and training schemes, and the interchange of new ideas are all handled most effectively by a central body which has complete executive control in the field.

Then, too, education authority areas are unrelated to labour "catchment areas" and the "excessively parochial outlook" (to quote the recent P.E.P. Report on Manpower) which sometimes exists may exclude boys and girls from outside the area until all the local school-leavers have been fixed in employment. This is especially serious when a county borough which is the natural employment focus for a county area regards applicants for employment sent by the county authority as "foreigners" who must be content with what is left. Many adjacent authorities and Ministry Y.E.Os. have vacancy clearing arrangements, but even here local patriotism may handicap the out-of-town applicant.

#### *The Final Step Towards Unity*

Both the Malcolm and Ince Committees agreed that the only appropriate Government Department to deal with youth employment work was the Ministry of Labour, and it is clear that some of the present efficiency of the Youth Employment Service depends on the expert knowledge and experience which headquarters officers make available to all Y.E.Os. Local authority Y.E.Os. accept the need for these centrally provided services, but it is much more difficult for them to make full use of the other specialist sections of the Ministry—its Wages and Factory Inspectorate, its Labour Supply and Industrial Relations Officers, its Disablement Rehabilitation Officers, and so on. In addition, a good deal of the detailed local industrial knowledge which accumulates in an Employment Exchange will not easily find its way to the Y.E.O. unless he is in the close contact which results from employment in the same organisation. This means that a local authority Y.E.O. must spend a fair amount of his time duplicating the efforts of Employment Exchange officers, which is wasteful and may be annoying to employers.

If the education authority influence was removed in the field, it could still be felt at the centre, through the educational members of the National Youth Employment Council and the seconding of Education Department officials to the Central Youth Employment Executive. This experiment in inter-departmental co-operation appears to be extremely satisfactory, as the education officials (who are replaced every few years to prevent them losing touch with their own Department) have executive control of part of the Executive's work as well as exerting their influence on policy.

It is not certain, however, that the existing organisation of youth employment work within the Ministry of Labour would be the most effective for a centrally-provided Service.

In areas where the Ministry provides the Service at present, every local office has some concern for youth employment work, since all of them may register vacancies and submit young people to them, issue National Insurance cards and perform other work of the same nature. All the work in the schools (careers talks, vocational guidance interviews, talks to parents and so on) is



done by specialist Youth Employment Officers who spend all or most of their time on these tasks. They are on the staff of large employment exchanges, and provide advisory services for a group of surrounding exchanges. These full-time Y.E.Os. are the equivalent of the local authority Y.E.Os. but, although they are in the executive grade, they are unlikely to possess academic qualifications appropriate to the work.

The Ministry does not encourage its staff to think of themselves as social workers, nor are there the same facilities for part-time qualification in the social sciences which exist for local authority staffs. By contrast, many local authority Y.E.Os. will have obtained their appointments on the strength of degrees or diplomas in economics, psychology or social science, and these can be a great advantage to the Y.E.O. who spends a good deal of his time dealing with similarly-qualified social workers, personnel managers and teachers.

Lack of academic qualifications is, of course, no absolute bar to success as a Y.E.O., and many first-class Y.E.Os. have been at some time clerks in the Ministry. The disadvantage these officers have had to face has been the tendency for the Ministry to transfer them to other work just when they had mastered the technique of this specialised work and were beginning to make full use of it. Staffing problems always seem acute enough at the time to justify moving a Y.E.O. even when his sternly cultivated experience is just about to bear fruit. Promotion must also involve the loss of a good man to the Service. (By contrast, promotion prospects for the local authority Y.E.O. are so poor once he has reached full Y.E.O. status that many good men must reject the work in the first place or do their best to go outside it if their ambition overpowers their social instincts.) What is worse, however, is the failure of the Ministry to apply rigorous tests to those it appoints as Y.E.Os. All Ministry of Labour executive officers can bring appropriate background knowledge to the work, but in the words of the P.E.P. Report on Manpower: "Work of this sort is a highly specialised business for which not every Ministry of Labour official is qualified by temperament or inclination, and greater care would be justified in the selection of people with a real aptitude for the task."

What is wanted is some organisation within the Ministry staffed by specially selected officers (including those with appropriate qualifications from outside the Civil Service) in which there would be minimum periods of service—say, five years. Relevant qualifications which could be obtained by part-time study might be taken into account in the selection of civil servants, and time off for study might be allowed in some cases. There should be reasonable prospects of promotion within the organisation, so that the special experience gained (particularly by a first-class man or woman) would not be wasted. On the other hand, promotion prospects should not be so good as to attract the career man instead of the social worker.

This organisation would provide the core of the Youth Employment Service, operating in the schools, and would be analogous in some ways to the Factory Inspectorate (because of the qualifications of its staff) or the Wages Inspectorate (because of its close link with the general work of the Ministry). Its main functions would be to give information and advice to schools, pupils, parents and employers and to ensure that recommendations

on suitable employment were carried out as closely as possible. It would also watch over young workers in the first years of employment, and provide an advisory service for technical college and university students and National Servicemen seeking their first posts.

Whenever possible, placing work would be carried out by officers under the direct control of the organisation, which would have base offices in the larger towns. These offices, which would be staffed by at least two Youth Employment Officers (one male, one female) with clerical staff for placing and routine work, would be close to, but if possible separate from, the Employment Exchanges. To ensure a completely national coverage with daily service the local offices of the Ministry would, in rural areas, do some placing work and act as local agencies for the Youth Employment Organisation, passing on to the base offices questions that could not be dealt with on the spot. The objection may be raised that this would cut across an Employment Exchange Manager's function of executing placing work in the area of his exchange, but since this already happens in areas where the education authority provides the Youth Employment Service, this difficulty could be overcome. No more than the normal amount of tact should be necessary in supervising the placing work of local offices, provided the division of functions was clearly laid down and both Manager and Y.E.O. were Ministry officials.

Promotion within the organisation would be to posts equivalent to Chief Youth Employment Officer in a county, in control of a group of base offices. Beyond that there would be posts at the Regional Office level (where the existing posts of Officer in Charge of Youth Section and Regional Representative of C.Y.E.E. could be amalgamated into that of Regional Youth Employment Officer) and on the staff of C.Y.E.E., in the Inspectorate and on other duties such as training and research.

Established civil servants in the organisation would be able to apply for transfer to other work in the Department after a minimum period of service or if they proved to be unsuitable for the work. Officers recruited at the executive level from outside the Ministry (local authority Y.E.Os., teachers, personnel officers and others with appropriate qualifications or experience) could be employed on contracts of temporary service, or could be established after a period of temporary service. It should be open to these officers to be transferred to other departmental work after they have been established, but only at their own request and after the minimum period of service. A certain amount of traffic out of the organisation into teaching, the universities, other social work and into industry would also be healthy.

In order to ensure that the weight of educational and local opinion had its full effect, local Youth Employment Committees should be appointed, similar to those now in existence but rather fewer in number—perhaps one to each Group Y.E.O.—with the present National Youth Employment Council acting for the country as a whole. Members of these local committees (on which local authorities would be well represented) should be encouraged to regard membership as a privilege rather than a duty. This can only happen if the committees feel that their work has some purpose, and is more than simply a theoretical bow to the demands of *les administrés* in a democracy.

*Summing Up*

The development of the Youth Employment Service has been from separate units into an integrated organisation. Local control of much of the work has been left with the education authorities, however, because of sectional prejudices. There is need for local influence, but it should be related to areas where employment problems are similar, and not to totally unconnected education authority areas. The educational influence can be brought to bear by the schools themselves, while the full resources of the Ministry of Labour as the industrial authority should be at the service of every Youth Employment Officer.

The present organisation of Youth Employment work in the Ministry would need to be modified if the Ministry were to be given sole responsibility for the work. More stringent methods of staff selection, a greater appreciation of the value of academic qualifications, minimum periods of service, and the recruitment of qualified officers from outside the Department would be needed. This could only be arranged by setting the Youth Employment Organisation somewhat apart within the Ministry and providing it with controlling posts to which promotion could be gained. The existence of a unified organisation of this type within the Ministry would ensure that the influence of the educational representatives on the Central Youth Employment Executive was not swamped by the weight of departmental pressure. The co-operation of educational and industrial authorities both locally and centrally would guarantee the overlap of the two major vocational influences from the moment a boy began to think about his future job until he was happily settled as an adult worker.

<sup>1</sup>Report of the Committee on Education and Industry (England and Wales)—First Part, 1927.

<sup>2</sup>Joint Report on the Organisation and Development of the Vocational Guidance Service in Great Britain, 1934.

<sup>3</sup>Report of the Committee on the Juvenile Employment Service, 1945.

## Human Relations in Administration

By C. A. S. BROOKS

*Mr. Brooks is Deputy Secretary of the East Devon Hospital Group Management Committee.*

IT is possible for an administrative unit to secure officers of the right quality, to have a good organisation chart and satisfactory work methods, and still to be far from full efficiency. The real secret of efficiency was disclosed years ago by writers such as Mary Parker Follett<sup>1</sup> and Dr. Northcott,<sup>2</sup> but the principles they enunciated have never been given the attention they deserve, particularly in the public services. Dr. Northcott declared that full efficiency in any organisation is impossible without collaboration and demonstrated that collaboration is an act of will which cannot be forced. Mary Parker Follett was convinced that the fundamental organisational problem of any enterprise is the building of dynamic and harmonious human relations for joint effort in the most effective conduct of that enterprise. More recent investigations have provided ample evidence that the final measure of the strength of an organisation is the collective strength of the individuals engaged in it, each individual accepting his own share of responsibility for the final result.<sup>3</sup>

An efficient organisation is based on three assumptions: first, that each individual concerned in it has something of value to contribute; secondly, that some means is found of permitting the development of each individual to the utmost of his capacity; and thirdly, that the experience of the group is related, integrated and made effectively available. To give point to the principles which are enunciated later for achieving such an integrative unity, the following illustrations are offered.

X was the chief officer of a department which consisted of four functional sections. He was well known for his courage, his decisiveness and the speed with which he got things done. His grasp of the work of his department was excellent and he was proud of the degree of control he exerted over the thirty-two officers employed in the department. When a job had to be tackled he planned it to the last detail, then called his section leaders one at a time to tell them what was expected of their sections and specified a time limit for the results. The section leaders, taking their cue from X, proceeded to inform their clerks of the work they were expected to do and the way in which they should do it. Because of the detailed character of the instructions given, of X's knowledge of the work, and of his way of handling individuals who professed to have perceived a work method better than the routine one, the targets he set were invariably achieved in the way devised by him. X felt satisfied with his department, but it did not take a keen observer long to find that in the wake of X's forceful progress lay a number of frustrated and unhappy subordinates who were rarely given an opportunity of exercising their initiative or of sharing in the final purpose of the department as a whole. Indeed their chief concern was to go through the mechanical processes laid down for them as quickly as possible, meanwhile exercising their creative instincts in devising ways and means of changing their occupation. X recently secured a different post, and on his departure the department of which he had been in charge collapsed like a pack of cards. The

employing authority praised X and wondered at his ability to run the department with what must obviously have been a collection of unenterprising officers. Actually it should have condemned him as an unimaginative tyrant who had stifled the initiative of his subordinates and prevented them from deriving any real satisfaction from their work.

Y is the chief officer of a similar department. His knowledge of the work of his department is good, but his knowledge of his officers is better. He not only appreciates the real purpose of his work, but also its relation to other allied services. He is constantly making a revaluation of the service he provides in the light of changing national and local conditions, and he is never too busy to acquaint himself with the circumstances of his "customers." Each employee in this department feels that he is doing a worthwhile job and is left in no doubt as to how his contribution is valued in the general effort. Section heads do not receive orders as a cellar receives coal; neither are they reprimanded for "knowing too much," because the opportunities they have of learning the policy of the department enable them to apply their information judiciously. Instead of producing cut and dried plans of his own before staff conferences, Y outlines the department's problems and invites suggestions for tackling them. The final procedure adopted is not usually the one which would have been suggested by Y alone, or by any other individual. It emerges as the result of an integration of the experience of all participating and is therefore put into effect intelligently and willingly.

Members of the public visiting the department feel that they receive every assistance from officers genuinely interested in their work and conscious of its purpose. A clear and helpful account is invariably given of the facilities provided by the organisation, of its limits, and of its relation to other services. When Y leaves his department he does so in the knowledge that all the resources of his officers will, in his absence, be co-ordinated in whatever task is undertaken. This will be done automatically as a result of his encouragement of each section to confer with others on matters of common interest.

Consider one further illustration. In a department are four sections divided on a functional basis as follows:

1. *Buildings*, acquisition, erection, adaptation.
2. *Selection, Placement or Appointment*, e.g., the allocation of patients to clinics, pupils to schools, employees to work projects.
3. *Staffing* of units under 2, e.g., schools, hospitals, clinics, work projects.
4. *Transport* of, e.g., pupils, staff, patients.

Each of these sections could work in comparative isolation. No. 2 for instance could draw up a fixed allocation scheme for "bodies," leaving 3 and 4 to provide transport and staffing with, perhaps, considerable inconvenience and expense. Or the allocation schedule of 2 could be vitiated by an unpredicted decision of 1. It may appear all too obvious that there should be continuous and full co-operation between these four sections, yet examples are brought to light almost daily of departments where this does not take place. In X's department for example, section 2 had allocated an additional seven "bodies" to an institution at Westleigh. The vehicle running to Westleigh under arrangements made by section 4 was the largest coach available, and was full to capacity. Section 4 made a note to tell the chief

officer that the provision of transport for seven additional bodies was extravagant and in the meantime he took no action to provide transport until X was available to make a decision. A postscript to his note drew attention to seven vacancies on the transport going to Eastleigh. X eventually made an arbitrary decision to send the bodies to Eastleigh, where there was an institution less suitable for the people concerned.

A similar situation arose in Y's section, whereupon the two section leaders involved conferred spontaneously. During their discussion the allocating section found that there were vacancies for the people concerned at an equally suitable institution at Southleigh where existing transport was sufficient for the additional numbers. As a result of this experience the leaders of sections 2 and 4 suggested to the chief officer that a simple pro-forma should be adopted for use between the four sections giving ample notification of any changes proposed by any one of them which would affect the facilities provided by the others. The object of the notification was to permit forward planning and to indicate the stages at which consultations might usefully take place to ensure that the resources of the department were used to the best advantage. Thus as a result of co-operation on one question, there emerged a procedure of lasting benefit.

These illustrations will enable an appreciation to be made of the following principles of administration which have evolved since the first world war.

The basic philosophy is that any enduring society is founded on the motivating desires of the individual or group, and on the principle that the development of human powers is the fundamental law of the universe. The creative instincts of members of a group may be applied either for or against the common good of the group. The greatest and most enduring power is developed jointly by "employer" and "employed" and is co-active as opposed to coercive.

It is this reciprocal activity which led Mary Parker Follett to arrive at her conception of "dynamic" administration when she demonstrated that unities are determined not only by their constituents, but by the relation of the constituents to each other. Unrelated experience is partly wasted, but when energies are released and allowed to interact the result is progress—the emerging which is the critical moment in evolution. Capacity and experience are united, not only to carry out a purpose, but to create larger and better purposes. Full efficiency is therefore only reached when means exist to draw from each member of a team his fullest possibilities, when the experience of each is related and employed in the common purpose, and when the creative moment in this process is understood. There is no longer room in modern society for the individual who is so "efficient" and self-sufficient that it is impossible for others to work with him. Integration invariably requires intelligence, perception and imagination, and it is with individuals possessing these qualities that responsible administrative posts must be filled.

<sup>1</sup>*Dynamic Administration* (Collected Papers of Mary Parker Follett). Edited by Metcalf & Urwick.

<sup>2</sup>*Personnel Management*. By C. H. Northcott.

<sup>3</sup>*Employment Relations in a Group of Hospitals*. By Joan Woodward and published by the Institute of Hospital Administrators.



## **"The Emergency Medical Services"\***

A Book Review by JOHN MOSS, C.B.E.

THIS book is one of the volumes of the official medical history of the war and describes in Part I the administration, evolution and work of these services during the period of the war in England and Wales, while Part II contains special chapters on the provision of Medical Personnel, the Ancillary Hospital Services, the Ambulance Services and the Civil Defence Casualty Services. There is also a Volume II (not reviewed here) divided into three parts: Parts I and II dealing with the Emergency Medical Services in Scotland and Northern Ireland; Part III describing the working of the Emergency Medical Services in London and other large industrial areas in the United Kingdom under the strain of intensive raids. Lieut.-Colonel C. L. Dunn, C.I.E., I.M.S. (ret.), who edited both volumes, had practical experience of the Service as a Regional Hospital Officer. He was aided by a number of collaborators with special experience of their individual subjects.

This volume starts with a historical review of the position from 1923 to March, 1935, and then refers to the early steps taken to create a casualty organisation and describes the expansion of the Emergency Medical Services first during the period from October, 1938, to September, 1939, and then during the further period to April, 1940. The last three chapters of Part I deal with the period of active operations in Britain from May, 1940, to June, 1941; the period of consolidation and improvement from July, 1941, to December, 1943; and the period of active operations from January, 1944, to the end of hostilities. In order to present a readable account of the inception and growth of the Services and the functions they fulfilled the story is told more or less chronologically. Up to June, 1938, the provision of casualty clearing hospitals in the event of war had been the concern of Local Authorities as part of their air raid precautions schemes, while the cost of providing base hospitals was to be borne solely by the Exchequer. The Ministry of Health then assumed responsibility for the organisation of an emergency hospital scheme in England and Wales, and the Department of Health for Scotland and the Ministry of Home Affairs in Northern Ireland assumed similar responsibilities for their countries. A casualty scheme for London had been drawn up as long ago as in 1926, but the necessary inquiries were undertaken under a strict rule of secrecy. They did, however, indicate various directions in which considerable extension would be essential. For instance it was ascertained that there were then in the London area only twenty-five L.C.C. and eighty-seven Metropolitan Asylums Board ambulances, and five ambulance steamers with a carrying capacity of 160 cot cases, and that by drawing on the ambulances belonging to the Joint Council of the British Red Cross and the St. John Ambulance Brigade, a total of 150 vehicles could be mobilised in twenty-four hours. There were also 110 ambulances belonging to other authorities which could be regarded as a reserve. One difficulty was the lack of uniformity of design which would prevent stretchers being interchangeable. It was thought that 225 ambulances would be

\* *Emergency Medical Services*, Vol. I. Edited by C. L. Dunn. H.M. Stationery Office, London, pp. 470. Price 50s.

adequate for the evacuation of casualties. It was then that the conversion of motor buses into ambulances was mooted.

Under the Civil Defence Act, 1939, the Minister of Health and the Secretary of State for Scotland were made responsible for securing that in the event of war, facilities would be available for the treatment of casualties occurring in Great Britain from hostile attack. The Ministry of Health set up a regional organisation and the Emergency Medical Services Department directed and organised the hospital services. The liaison with Local Authority hospitals could be easily effected through the Medical Officers of Health, but the organisation of voluntary hospitals was not so easy as this and had never been done before except in certain areas on a limited scale. As the editor-in-chief (Sir Arthur S. MacNalty, K.C.B.) states in his preface, this "was effected through the public spirit of the voluntary hospital authorities and their medical staffs."

#### *The Creation of a Casualty Organisation*

The first definite steps towards giving practical effect to air raid precautions were taken when it was decided to set up from 1st May, 1935, a new department with executive powers—the Air Raid Precautions Department of the Home Office—to act on behalf of the various Government Departments concerned. While this Department were actively engaged in the organisation of the casualty services other enquiries proceeded and the Goodwin Committee, in 1937, estimated that some 175,000 civilian hospital beds would be required. Of these it was considered that 50 per cent. could be cleared in forty-eight hours and that the number of beds could be increased by 50 per cent., giving an immediate provision of 175,000 to meet emergency requirements. This was a remarkably accurate forecast of the beds which were actually made available on the outbreak of the war. The Air Ministry considered that one million casualty beds would be required in the whole country, but it was realised that this would be a complete impossibility. The Wilson Committee were in 1938 advised that there would be 30,000 casualties a day in the whole country from the outbreak of hostilities and that this figure might apply even to the London area alone. On this estimate it was considered that 60,000 casualty clearing hospital beds and 420,000 base hospital beds would be required. Later the estimate was increased to 35,000 casualties a day. These assumptions showed that 322,000 beds might be required by the end of the second week and 433,000 by the end of the fourth week, or more than five times the number of beds which could be relied on as available for casualties in existing hospitals after the war had been in progress for four weeks. Proposals for new construction were, therefore, agreed and hutted hospitals were provided by the Ministry of Health. An interesting comment on this provision is that whilst it was needed for war casualties during the war it is now being generally used for civilian purposes and but for this the hospital position today would have been even worse than it is.

The equipment of the new hospital accommodation was a major task. Of 150,000 bedsteads and mattresses, 300,000 blankets and 200,000 pillows which had been ordered by May, 1939, considerable quantities had been already delivered and stored. This equipment belonged to the Ministry

and Local Authorities were required to keep careful records of its storage and subsequent issue. I remember at the end of the war and for some time after being concerned to try to satisfy the Ministry as to the then whereabouts of some of the equipment which had been issued to local authority hospitals in Kent. There was much form filling and checking, but with goodwill on both sides write-offs and transfers were agreed.

In 1939, the Home Office, in conjunction with the Ministry of Health, issued recommendations to Local Authorities for the protection of hospitals against air raid risks. Some of this took the form of sandbags and many thousands of pounds (I speak from experience) were spent in that way. Some of this work was done by contract and I saw some burst bags which never had any sand in them but were filled with earth and rubble. It is not surprising to be told therefore that "owing to deterioration of sandbags from the effects of the weather, brick walls were later substituted." If this need could have been foreseen much money would have been saved.

It was an essential part of the original arrangements that patients who could not be sent home should be decanted from some of the principal hospitals in London to hospitals outside London and detailed arrangements were made to this end in September, 1938, but were suspended following the Munich Agreement. The Minister of Health was empowered by the Defence Regulations to issue formal directions to hospitals in connection with the treatment of casualties and other classes of patients, and he delegated these powers within certain limits to the hospital officers. On 2nd September, 1939, all hospital officers were instructed to complete the clearance of hospitals and by the evening of Sunday, 3rd September, the pre-arranged movement of civilian sick from the danger areas and the initial clearance of hospitals to provide casualty beds was completed. A year later there was a further evacuation of some 7,000 chronic sick and infirm persons and others from London and some of the other target areas. Later in the war, when there was threat of invasion, there was another evacuation of hospital patients from the coastal belt and inland towns from Great Yarmouth round to Hythe and from further stretches of coast in the North-East and in the South-West.

#### *Restriction of Admission*

The setting up of machinery which, in the absence of heavy casualties, was for some time not required to function as intended, had its repercussions in complaints from civilian sick as well as from the consultants and specialists of whose services they were to some extent deprived. Restrictions on admissions to hospitals, which would have been recognised as necessary had the war followed its expected course, were resented when many beds were known to be unoccupied. Another cause of complaint was that many of the voluntary hospitals had closed their out-patient departments, although no instructions to this effect had been issued by the Ministry. As a result "of public clamour and misinformed statements in the lay and medical press," the Prime Minister made it clear that hospitals should continue to admit acute cases, but complaints still continued and in October, 1939, it was decided that ordinary civilian sick could be admitted to all hospitals up to 75 per cent. of their normal capacity. Later it was agreed that further accommodation might be used for this purpose provided that at least one

bed per thousand of the population remained available for casualties in the areas concerned. This account of the hospital position shows that at the inception of the scheme the Ministry of Health rightly provided beds for the large number of casualties which were expected, but that it was only as the result of considerable pressure from the general public that empty beds gradually became available in increased numbers for the civilian sick who would otherwise have suffered very considerably, and some of them would no doubt have become casualties if they had been left in their own homes under the conditions which then prevailed.

Further problems arose after the invasion of Holland and Belgium on 10th May, 1940, when accommodation had to be made available for convoys from overseas and the general evacuation of the British Expeditionary Force from Dunkirk and other parts of France, which resulted in the admission of some 32,000 Service casualties. During the Battle of Britain, which may be said to have begun in May, 1940, some damage was caused to hospitals, but in spite of the consequent reduction of beds no undue strain was thrown on hospitals throughout the country in dealing with 45,892 seriously injured casualties over a period of nine months. In 1944, hospitals were affected less by the results of piloted air attacks than by casualties and damage inflicted by the robot "flying bomb," first used in June of that year, and by the long-range rocket which followed three months later. The next stage in the air attack was on 13th June, 1944, when the unexpected high-speed flying bombs started their attacks which resulted in 51,206 casualties, including 5,476 killed in the next four months.

#### *Comparisons Between Estimates and Experience*

Before going on to give an account of the operation of the ancillary services, the authors summarise the hospital position in the various stages since the outbreak of war and it is mentioned that, as an essential preliminary to expansion, the existing accommodation was ascertained in 1938 at 403,000 beds, of which nearly 75 per cent. were occupied. It was aimed to provide nearly half a million beds for all purposes (300,000 for casualties) at the outbreak of war which, it had been estimated, might in its earliest phase produce air raid casualties at the rate of some 52,000 a day, of whom 28,000 daily would require admission to hospital and 22,000 would need to be retained more than forty-eight hours. Providentially the expected onslaught on such a scale was never made, and by the time of the real test in 1940 the organisation, administration and equipment had been reviewed, consolidated and strengthened. Adaptability, mobility and flexibility of decentralisation under the Regional scheme, by pooling hospital resources, enabled all classes of patients, Service and civilian, to be provided for throughout the country; the treatment given being co-ordinated and enhanced by the work of the consultant advisers, regional consultants and group advisers, and by the establishment of special centres in which certain types of disease or injury were concentrated and treated by specialists of outstanding experience in their particular field. Thus under the compulsion of war, a great experiment was made in working a hospital system on a national basis, and its success did much to prepare both the medical profession and the general public for a State hospital service, the establishment of which was to be one of the

## THE EMERGENCY MEDICAL SERVICES

first constructive tasks of peace. By no means all the injured were, however, treated in hospital, and initial treatment of minor injuries was provided for as far as possible at first aid posts, but further treatment was given where necessary at out-patient departments of hospitals.

The total number of casualties have been published in other volumes but, when considering the operation of the Emergency Medical Services it is of interest to note there were 146,777 civilian casualties due to enemy action in the United Kingdom. Of these 60,595 were killed or missing, and 86,182 were injured and detained in hospital. 49.3 per cent. of the fatal, 58.6 per cent. of the seriously injured and 54.8 per cent. of the total casualties occurred in the London Region. These figures do not include slightly injured casualties of whom 150,832 were recorded.

### *Financial Responsibility*

Negotiations with Local Authorities through their associations as to meeting the expense of the emergency hospital scheme caused some difficulty at an early stage. It was first intended that Local Authorities should bear three-tenths of the cost of making any premises under their control suitable for a hospital for the treatment of casualties subject to the proviso that no Local Authority's share of the cost should exceed one-tenth of a penny rate in any one year. If the cost exceeded that rate the Government would bear the whole of the excess. In the case of the voluntary hospitals the share of the individual hospital was not to exceed £1 per bed for approved protective work, but any "upgrading" done at voluntary hospitals would be borne wholly by the Government. The responsibility for dealing with casualties under the Air Raid Precautions Act, 1937, had been imposed on Local Authorities, with a percentage grant from the Government. Under the Civil Defence Act, 1939, however, the Government assumed full financial responsibility in this matter, but Local Authorities were required, in return for the relief of any charge on the local rates, to provide a quantity of equipment for the extra accommodation needed for the Emergency Hospital Service in their peace-time hospitals, excluding public assistance institutions, mental hospitals, etc.

### *The Blood Transfusion Service*

Until the outbreak of the war no adequate blood transfusion service existed, although in some places "blood banks," which were purely local voluntary organisations, had served the needs of the large hospitals. With the establishment of the Emergency Hospital Service, an organisation capable of supplying the large quantities of fresh and stored blood required to deal adequately with the expected influx of air raid casualties, was obviously necessary. Four were accordingly established in London for the collection, storage and supply of blood for transfusion purposes. Donors were recruited from every section of the population and many gave regularly every three months. The London depots never found it necessary to refuse a call for help for lack of blood. Later blood banks were established in each Region, where the scheme proved to be equally successful throughout the war.

It is impossible in a review of this nature to do full justice to a volume which is full of such interesting information, but enough has been said to

show that the Editor and his colleagues have made a valuable contribution to the history of the war years and have been able to prove that, in regard to the Emergency Medical Services, the preliminary preparations made both centrally and locally throughout the country under the guidance of the Ministry of Health were fully adequate to meet the needs which arose. The interest of the book is enhanced by some excellent photographs and there is a good index.

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## *The Political Activities of Civil Servants*

*We are indebted to the Controller of H.M. Stationery Office for permission to publish these extracts from "Political Activities of Civil Servants" (Cmd. 8783).*

IN 1948, following representations from the Staff Side of the Civil Service National Whitley Council about the restrictions on the political activities of civil servants, the Labour Government appointed a Committee under the chairmanship of Mr. J. C. Masterman, O.B.E., "to examine the existing limitations on the political activities (both national and local) which may be undertaken by civilian Government staffs and to make recommendations as to any changes which may be desirable in the public interest."

The Committee were informed that, whilst the Government agreed that there was a case for investigation, they would be totally opposed to any radical change in the non-political status of the Civil Service.

At that time the current rules—which had existed for over twenty years—were as follows :

### *Non-industrial Civil Servants*

(i) Under an Order in Council of 1927, non-industrial civil servants were forbidden to stand for Parliament.

(ii) There was a Treasury rule of long standing that non-industrial civil servants were "expected to maintain at all times a reserve in political matters and not to put themselves forward prominently on one side or the other."

It was left to Departments to decide what activities came within this general rule. The Post Office, alone of the Departments, had specific rules which defined the sort of activity which was banned or permitted.

(iii) As regards local government, it was left to the Head of each Department to determine if, and on what conditions, "an officer of his Department may become a candidate for, or serve on, any local Council, provided that the duties involved . . . shall not conflict with the officer's performance of the duties of his Department."

### *Industrial Civil Servants*

In certain Departments, in particular the Service Departments, industrial civil servants were subject to no restrictions whatever as part of their conditions of employment and (though debarred by law from sitting in Parliament) were even free to accept adoption as Parliamentary candidates ; but other industrial civil servants, while subject to no other restrictions, were not permitted to accept such adoption.

In June, 1949, the Government published the Report of the Masterman Committee (Cmd. 7718) announcing at the same time that they accepted the Committee's recommendations and proposed to put them into immediate effect.

The essential features of the Committee's recommendations were :

(i) The division of the Civil Service into two parts, consisting on the one hand of grades whose members were to be free of any restrictions

on their political activities and, on the other, of grades whose members were to be subject to restrictions, being barred from certain political activities in the national field, but free to seek permission to take part in local government activities.

(ii) The closer definition of the type of action which was to be regarded as covered by the ban on political activities.

On the division of the Service, the Committee proposed a substantial widening of the area which should enjoy complete freedom, recommending that this should include not only all the 400,000 members of the industrial grades (that is about doubling the number already free), but also all the manipulative grades in the Post Office (the members of which number some 200,000) as well as a number of minor grades such as messengers, etc. There are about a million civil servants, industrial and non-industrial, and the effect of this proposal was to give complete freedom to some 650,000 of these—450,000 more than previously.

On the definition of political activities to be the subject of restrictions, the Committee defined these as covering not only Parliamentary candidature, but also the holding of office in a party political organisation; speaking in public on matters of party political controversy; writing letters to the Press setting out views on party political matters; or engaging in canvassing, etc., of political candidatures.

The decision to accept these recommendations met with opposition from the Staff Side of the Civil Service National Whitley Council and in the House of Commons. On 28th July, 1949, the Government announced that they had agreed to take no action for the time being to put the recommendations into effect.

On 1st November, 1949, it was announced that the Government would give immediate effect to that part of the Report which proposed to free some 450,000 civil servants from existing restrictions, but for the rest of the Civil Service the practice which prevailed before the Report was received would be maintained in force while further consideration was given to the matter.

On 15th November, 1949, the then Financial Secretary to the Treasury stated in the House of Commons the view of His late Majesty's Government that before final decisions were reached on the extent to which, within the general principles of the Report of the Masterman Committee, civil servants could be free to take part in political activities, it would be appropriate that there should be joint discussions through the machinery of the National Whitley Council. The Report of the Joint Committee of the Civil Service National Whitley Council and the Government's decisions thereon were published in March, 1953, as a White Paper (Cmd. 8783).

### THE COMMITTEE'S REPORT

The discussions of the Committee took place "within the general principles of the Masterman Report." That is, they started from the propositions that all non-industrial civil servants cannot be free to take overt part in national political activities; that the non-industrial Civil Service has therefore to be divided between those who are so free and those who are not; that the dividing line is one to be settled by rule and not at the discretion

of the individual. The Staff Side did not admit the validity of these propositions, but they accepted them for the purpose of the discussions. The primary object of the Committee was to consider whether the complete freedom from restrictions proposed by the Masterman Committee for certain categories of civil servant (and put into effect in January, 1950) might be extended to other categories.

The Masterman plan proposed to divide the non-industrial Civil Service into the Completely Free and the Restricted. The dividing line was pretty clearly defined, with two large groups on the one side of it, and all the rest on the other.

### *The Staff Side's Proposals*

The Staff Side, accepting for the purpose of these discussions that there must be such a line, proposed that the area of complete freedom should be extended to include not only industrial staff and minor and manipulative non-industrial staff, as at present, but also certainly :

- (a) (i) All typists and other sub-clerical staff ;
- (ii) All clerical staff and parallel staffs ;
- (iii) All junior executive officers (and parallel staffs) and—possibly—
- (b) Some higher grades.

The Official Side were quite unable to accept this proposition, even so far as the staff in (a) (i) and (ii) were concerned. This was primarily because of their conviction that, whatever might be the position in some Departments and some types of office, very serious harm would be done to the Civil Service's reputation for impartiality if clerical or sub-clerical staff in the local offices of Departments such as the Ministry of Labour, Ministry of National Insurance, National Assistance Board, and Inland Revenue, were free to identify themselves with party politics—and to do so unreservedly and right up to the extreme stage of Parliamentary candidature. The staff in such local offices are in direct personal contact with individual members of the public and take, or seem to the public to have discretion to take, decisions affecting their personal wellbeing. To the Official Side it was unthinkable that such staff could within the principles of the Masterman Report be given complete political freedom. They may be remote from policy-making and many of them may have little, if any, actual discretion in individual cases. But to many members of the community, they nevertheless represent "the Civil Service," being the point at which the governmental machine most obviously touches their personal lives. In this respect the local office staff of these Departments are in a very different position from the Post Office counter clerk, for whom the Masterman Committee recommended complete freedom.

The Staff Side argued that the Official Side's apprehensions sprang from an altogether distorted view of the situation ; that by under-estimating the sense of responsibility and discretion of the staffs concerned as greatly as they over-estimated the importance which these staffs had in the eyes of the public, they had conjured up dangers which did not exist ; that these

dangers, if they had existed, would have been revealed already since there was reason to believe that quite a number of the staffs under discussion, including some above the clerical level, had been engaged in political activities, with discretion and without embarrassment to their Departments, for years past and particularly during the two General Elections since the Masterman Report was issued; that it was not to be believed that such activities on the part of typists, clerical assistants or even clerical officers would lead any reasonable members of the public to doubt their integrity in the performance of their official duties; that the Official Side's indiscriminating taboo was its own condemnation, and that within whatever line of division might be agreed for application generally in the Service the same confidence should be shown in the staffs of these local offices as in the staffs of other offices until experience proved it to be misplaced.

Considerable discussion failed, however, to shake the Official Side from their view. They did not deny that there are in the area of restriction some, indeed many, individuals employed on work which is such that they could in practice be given political freedom without endangering the primary principle of the necessity for having a line at all. But if a line is to be drawn, it must be both broadly intelligible and administratively workable. And that being so, it seemed impossible to the Official Side to put the line between the Completely Free and the Restricted in any significantly different place from that in which the Masterman Committee put it.

The Committee were therefore unable to agree on a plan for the simple redrawing of the Masterman line. But from the very considerable discussions there emerged the idea of an intermediate class. Could the Service be divided not into two categories as envisaged in the Masterman Report, but into three as follows:

- (a) Classes completely free (on the Masterman plan);
- (b) Classes subject to restrictions;
- (c) A category intermediate between (a) and (b), of classes whose members might be partially free by permission; this category being a new conception.

Both Official and Staff Sides were agreed that a category (c) could be created.

#### *The Intermediate Class*

Civil servants of the intermediate class would be eligible for *permission* to engage in all national political activities except Parliamentary candidature.

The granting of permission would depend on the acceptance of a code of *discretion*, putting certain limitations on the extent to which, and the manner in which, the civil servant could express views on Governmental policy and national political issues generally. (Hence, the exclusion of Parliamentary candidature from permissible activity: it would be impracticable to demand discretion of this sort from a would-be Member of Parliament.) A draft code of discretion is attached as Annex I to the Report.

## THE POLITICAL ACTIVITIES OF CIVIL SERVANTS

In deciding which of their intermediate class staff should be allowed this degree of freedom Departments would be influenced mainly by the criterion of remoteness of contact with the public and anonymity.

The grades to be included in the intermediate class would be settled centrally. This having been done, each Department would divide its intermediate class staff as follows :

(a) Those to be covered by what might be called an open general licence to take part in all the national political activities open to the intermediate class, this open general licence being given to cover whole blocks of staff, so far as possible.

(b) Those who must individually seek permission, which would be granted on the merits of the individual case according to the criterion indicated above.

The detailed arrangements would be discussed with the departmental staff representatives, but within the machinery centrally laid down the decision would rest with the Department.

Subject to certain special rules for those Departments (e.g., the Ministries of Housing and Local Government, Education, Health and Transport) in close official contact with local authorities, intermediate class staff with an open general licence for national political activities would be allowed to take part in *local government and in political activities in the local field* (that is, political activities in relation to local government) subject to :

(a) The observance of the code of discretion referred to above ;

(b) The notification to their Department of election to a local authority.

Intermediate class staff not covered by open general licence could seek permission to take part in local government activities and in political activities in the local field. Generally speaking, those to whom permission would be given to take part in national political activities would be given permission to take part in local government, etc., activities subject to the code of discretion referred to above. Those not allowed to take part in national political activities would nevertheless, in as many cases as possible, be given permission to take part in local government and in political activities in the local field. This permission, which would be subject to a code of discretion requiring them to act with moderation, particularly in matters affecting their own Department—set out as Annex 2 to the Report—would cover freedom to hold local party political office, such as Ward Secretary, impinging only or primarily on local government activity, but not any office impinging only or primarily on party politics in the national field.

Staff who were neither in the intermediate class nor in the area of complete freedom would not be allowed to take overt part in national political activities. But (subject to what was said in the previous paragraph about the special position of certain Departments) they would be eligible to seek permission to take part in local government activities and in political activities in the local field. This permission would be given to the maximum extent which the circumstances permitted, subject to the observance of the code of discretion (Annex 2).

Apart from a difference of opinion on the Staff Side's proposition that canvassing, in a Parliamentary or a local election, is not such a public manifestation of party political views that it need be forbidden to anyone (a matter dealt with in Annex 3 to the Report), the two Sides were in agreement on this conception of the intermediate class.

The two Sides were agreed that the following grades should be included in this class :

(a) Typists, clerical assistants, clerical officers, and their analogues—general Service and departmental ;

(b) Grades parallel to those in (a)—i.e., grades of roughly the same status, whether general Service or departmental, e.g., scientific assistants ;

(c) Departmental grades known as the intermediate clerical grades (a very small group) ;

(d) Grades parallel to the general Service grade of junior executive officer, i.e., grades which, not being in an executive class, either general Service or departmental, or in a class analogous thereto (e.g., the information officer class) are of roughly the same status, e.g., draughtsmen, leading draughtsmen, assistant experimental officer, experimental officer, technical grades 2 and 3 ;

(e) Post Office manipulative supervising officers who, not being within the area of freedom as recommended in the Masterman Report, have salary scales whose maximum is not higher than, or not much higher than, the maximum of the junior executive officer scale.

So constituted, the intermediate class would include about 290,000 staff. Of these it is estimated that some 185,000 would be given an open general licence. Of the 100,000 or so who would have individually to seek permission to take part in national political activities, probably about 45,000 would get it. The great majority of those who would not get it would be in local offices of the Ministry of Labour and National Service, the Ministry of National Insurance, the Inland Revenue, and the National Assistance Board. Those not allowed to take part in national political activities would be given permission to take part in local government activities to the maximum extent which the circumstances of the particular case permitted.

The Committee also agreed that the existing Post Office rule permitting canvassing by Post Office staff except where "obviously incompatible with their official position" should be maintained.

They also agreed that a few individuals who now hold certain types of local party political office which would not be allowed to other members of their grades should continue to be free to hold them.

The Committee were unable to reach agreement on two major aspects of the problem :

(1) Should canvassing be excluded from the political activities for which permission is necessary, i.e., should *all* civil servants be free to canvass in support of candidates for Parliament or local government, should they so wish, subject only to their personal judgment as to the fitness of so doing ?



## THE POLITICAL ACTIVITIES OF CIVIL SERVANTS

(2) Should the junior executive officer grade and analogous grades be included in the intermediate class?

To both questions the Staff Side would say "yes" and the Official Side "no." Annex 3 of the Report sets out the opposing points of view on canvassing. Annex 4 sets out the opposing points of view on the inclusion in the intermediate class of the junior executive grade, etc.

### ANNEXES TO REPORT OF WHITLEY COMMITTEE

#### *1. Code of Discretion for those who though not completely free politically are allowed to take part in both national political activities and local government and political activities in the local field*

A certain discretion is required of those civil servants who, not being within the area of complete political freedom, are nevertheless given permission to take part in national political activities (other than Parliamentary candidature) and in local government and local political activities. All such staff should bear in mind that they are servants of the public, working under the direction of Her Majesty's Ministers forming the Government of the day. While they are not debarred from advocating or criticising the policy of any political party, comment should be expressed with moderation (particularly in relation to matters for which their own Minister is responsible) and should avoid personal attacks. They should use every care to avoid the embarrassment to Ministers or to their Department which could result, whether by inadvertence or not, from the actions of a person known to be a civil servant who brings himself prominently to public notice in party political controversy.

#### *2. Code of Discretion for those who though not allowed to take part in national political activities are allowed to participate in local government and political activities in the local field*

The permission to participate in local government and in political activities in the local field granted to civil servants not free to participate in national political activities is subject to the condition that they act with moderation and discretion, particularly in matters affecting their own Department and that they take care not to involve themselves in matters of political controversy which are of national rather than local significance.

#### *3. Canvassing*

The two Sides are agreed that the political activities for which permission should be necessary are the holding of office in party political organisations, speaking in public on matters of party political controversy, and expressing views on such matters in letters to the press, books, articles or leaflets.

The Official Side would add canvassing, on the ground that, like these other activities, it is a prominent public manifestation of party political views and that knowledge that a civil servant was engaging in it could spread widely enough to give rise to public concern.

The Staff Side strongly contest the Official Side's attitude and for several reasons. Their main argument is that canvassing does not satisfy the two conditions in the previous paragraph which, not separately but only when

combined, can be held by the Official Side to justify the denial of freedom to a large number of civil servants. The task of the canvasser nowadays is not to persuade people to vote in any particular way, but to find out how they intend to vote. His specific instructions, in one party at any rate, are to that effect. His object being research, not propaganda, he need not engage in argument or express his own political views, although it is true that by canvassing for a particular party he does identify himself with it. But not prominently, nor, in any reasonable meaning of the word, publicly, since canvassing is, in its nature, a series of private interrogations of individual citizens. Canvassing cannot, therefore, be said to involve a "prominent public manifestation of party political views." Nor, in general—turning to the second condition—need it expose the civil servant to the risk of being widely identified as such. Even if he canvassed voters in the immediate neighbourhood of his own home, those who knew him by conversation, common talk, etc., to be a civil servant might in the same way, and without any sort of *public* manifestation on his part, already know him to be a supporter of this party or that and his appearance as a canvasser on its behalf would be no new revelation. But in practice it would generally be easy to arrange for civil servants to canvass in parts of the constituency, away from the immediate neighbourhood of their own homes, where, unless for some reason not connected with politics they were already public figures, they would be fleeting callers at every door, unidentified either by name or by occupation. This being so, the Staff Side cannot see what real danger to the reputation of the Service for the politically impartial discharge of its duties—the Official Side's sole or main justification for imposing any restriction—can be apprehended to warrant the formal withdrawal of this particular right of the ordinary citizen from any civil servant, though they would expect that in exceptional cases (e.g., where a civil servant in one of the higher grades was already, for some reason, generally known as such throughout the constituency) the right would not be exercised.

Their view is supported by actual experience. Staff rules in the Post Office have for many years specifically permitted canvassing, without restriction as to grades but with the proviso that the Postmaster General might have to impose one if the use of the open licence ever proved embarrassing. As it has never done so, it is to be inferred that no untoward consequences—or none worth mentioning—have resulted from the general permission to canvass. Nor have any such consequences followed from the canvassing in which civil servants, not only of the lowest grades, in other departments have considered themselves free to engage in view of the specific permission given in the Post Office rules and the absence of any specific prohibition in their own. Now to designate canvassing as the sort of political activity which should be denied to those not allowed to engage in political activities generally would, therefore, be to impose a new restriction for which there is no demonstrable justification from the Official Side's own point of view as the Staff Side understand it.

The Official Side find it extremely difficult to accept these arguments. It may be that the modern canvasser is usually instructed not to seek to persuade or to indulge in argument. This is not, of course, a matter on which the Official Side are well qualified to express a view. Nevertheless,

a canvasser canvasses on behalf of a particular candidate and on behalf of a party: he may even wear a badge on his lapel showing which party he is not only supporting but is working for. To the Official Side this seems undeniably to be putting oneself forward prominently in association with a political party. It also seems to them undeniably to be putting oneself forward publicly in association with a political party. The "publicity" may be different from that involved in, say, addressing a meeting, but it is nevertheless there, and in the Official Side's view no less inconsistent with the general principles within which the Committee are working. Moreover, and more importantly, the Official Side think that this is how the matter would strike the public.

As to the present rules, it is true that, outside the Post Office, departmental rules make no mention of canvassing. But they are couched in very general terms. For example, in several Departments the rule says: "Civil servants are expected to maintain at all times a reserve in political matters and not put themselves forward prominently on one side or the other." In another Department the rule says: "It is a well understood rule that civil servants should refrain from taking an overt part in public political affairs." In another Department the rule says that "civil servants should refrain from taking an active share in party politics." To the Official Side it is inconceivable that the general run of the Staff could seriously have believed that to canvass was compatible with rules worded in this way. The fact that the Post Office's rule was different would, in the Official Side's view, prove very little: the Post Office is far from being a typical Department.

As to past practice, the Official Side are not aware that staff generally have in fact canvassed either to a small or large extent. Had permission to do so been asked, it would certainly have been refused. But even if some civil servants, who in future will not be free to do so, have in the past canvassed, and canvassed without doing noticeable harm to the Civil Service's reputation for impartiality, that does not necessarily lead to the conclusion that openly to declare that all civil servants are free to canvass would do no harm. And to omit canvassing from the list of political activities for which permission must be given, which must inevitably be published, would be tantamount to such a declaration.

#### 4. *The Scope of the Intermediate Class*

The Staff Side propose that the intermediate class should include the junior executive officer grade and the analogous grades. There are some 40,000 people in these grades.

For this proposal the Staff Side advance the following reasons. The arguments for complete restriction apply in their full force to the extreme case of the administrative class and, in the view of those who believe in them, diminish in effect as they are extended downwards. Conversely, the arguments for complete freedom, to be used with individual discretion, are weightiest at the bottom level of industrial, minor and manipulative and analogous grades and may be held to lose some of their force as they are extended upwards. Where can the two sets of arguments reasonably be said to meet and balance? Not, in the Staff Side's view, as low down, in a graded Service ranging in terms of salary from, say, £4 a week to £5,000 a year, as a grade

which at its maximum receives only £700 a year. At that level the arguments for allowing ordinary citizen rights unless their denial is demonstrably necessary to the preservation of public confidence in the Service have by no means lost their force or been outweighed by the converse arguments for withholding these rights in case an incident should occur to bring into question the impartiality of an individual civil servant as such. To allow freedom in any context is to take a risk, and while the Staff Side, though not sharing it, can understand the Official Side's reluctance to take any risk at all by granting political freedom to, say, Assistant Secretaries rising to £2,000 a year, they feel bound to say that to view junior executive officers and their like in the same light, to consider the reputation of the Service to be as vulnerable through them as through the much higher grade, to want the same absolute assurance against risk in the one case as in the other, and to deny freedom to all members of the junior executive grades, however and wherever employed, equally with all members of the higher grades of the administrative class, is to carry an arguable caution to the verge of timidity.

The Staff Side can well believe that as about a quarter of the intermediate class would be entirely restricted, the proportion of junior executive officers who would be similarly restricted if included in that class would be higher still. Those allowed to engage in political activities might indeed be only the minority. But it is a serious matter, tending to be overlooked when dealing with civil servants in the mass, to deprive a single individual of any of that freedom of speech and lawful action in political matters for which revolutions have been started, and the Staff Side take the view that if, as they believe to be the case, an appreciable number of junior executive officers could, with discretion, and without any real risk to the repute of the Service, engage in political activities, they ought not to be deprived of the opportunity of doing so on a theory that this is the level of the Service where the arguments against the grades as a whole over-ride the arguments in favour of certain of the individuals in them. The Staff Side would not even agree that this could be said at the higher executive officer level. But as, for the purpose of achieving an agreed settlement, the gap between the two Sides has been narrowed to the junior executive case, the Staff Side do not press their point of view beyond that, but confine themselves to it in the belief that, up to that level at any rate, the balance of argument is clearly in their favour.

The Official Side are unable to accept the Staff Side's proposal to include junior executive officers, etc., in the intermediate class because, in their view, it is at this level that one enters the lower reaches of that part of the Civil Service of whose political impartiality it is essential that there should be no doubt in the public mind. Members of the higher grades of the general Service executive class not infrequently work in close association with the administrative class in framing policy. Many of its members in all grades are engaged in the day-to-day working out and amplification of the detail of that policy. Others are in responsible positions in local offices. *Mutatis mutandis*, the same is true of the analogous classes in Departments such as the Ministry of Labour, Inland Revenue and Customs and Excise. The Official Side appreciate that the Staff Side propose the inclusion in the intermediate class only of the basic grade of the executive classes, and obviously the responsibilities of these junior grades should not be over-

estimated : there are junior executive officers employed on work—for example, in the Post Office Savings Department and in the museums—far removed from policy-making and remote from contact with the public. They realise too that the Staff Side for their part appreciate that, given the conception of the intermediate class, the freedom permitted within it would have to be denied to very many junior executive officers and their analogous colleagues, were they included in it. But nevertheless the Official Side are unable to persuade themselves that it would be right to recommend the inclusion of these grades in the area of possible freedom. They see that it is possible reasonably to draw a line above the clerical officer or thereabouts. But above that line, the atmosphere and responsibilities are, generally speaking, radically different from what they are below it. It was only after much hesitation that the Official Side agreed to recommend the inclusion in the intermediate class of the technical grades parallel with the junior executive officer, and therefore of higher status than clerical officer. In so recommending, they have gone to what they regard as the farthest limit consistent with the general principles of the Masterman Report.

#### THE GOVERNMENT'S STATEMENT

In their statement on the Committee's recommendations, the Government said that they had had constantly in mind the two conflicting principles which are at the heart of the question. On the one hand—to quote the words of the Masterman Committee—it is desirable in a democratic society “for all citizens to have a voice in the affairs of the State and for as many as possible to play an active part in public life.” On the other, “the public interest demands the maintenance of political impartiality in the Civil Service and confidence in that impartiality as an essential part of the structure of Government in this country.”

Having considered the Whitley Committee's proposal, the Government concluded that the creation of an intermediate class between the two classes proposed by the Masterman Committee “represents a fair and reasonable balance between the two fundamental but conflicting principles set out above, and that its introduction would not damage the interests of the State or the reputation of the Civil Service for political impartiality.”

They therefore decided to introduce this scheme as soon as possible.

The Government answered “no” to each of the two unsettled questions posed by the Committee. In other words, they decided that “canvassing will be barred to civil servants restricted in their political activities and will be open to those in the intermediate group only by permission” and that the junior executive officer and analogous grades should be included in the restricted not in the intermediate class.

The Government agreed, however, that the existing Post Office rule permitting canvassing by Post Office staff except where “obviously incompatible with their official position” should be maintained.

The practical effect of these decisions is substantially to increase the number of civil servants free to take part in political activities, as compared with the number freed under the recommendations of the Masterman Committee—recommendations which themselves represented, over a large part of the Service, a considerable relaxation of the previous position.

When these present decisions are put into effect the position will be that, out of a Civil Service of some 1,000,000 individuals, about 62 per cent. will be completely free; something like another 22 per cent. will, subject to the acceptance of the need for discretion, be free to take part in all activities except Parliamentary candidature; while only some 16 per cent. will be barred from taking part in national political activities—and of these, the Government say, as many as possible of those who seek it will be given permission to take part in local government and political activities in the local field.

The Staff Side of the National Whitley Council remain of the view that there should be no restriction on the political activities of civil servants, other than that imposed by the good sense and discretion of the individual himself. Without prejudice to this opinion, and though they disagree with some aspects of the present decisions, the Staff Side subscribed to the Report on which they were based. They did so, necessarily, as individuals, for the highly confidential nature of the Whitley Committee's discussions (which were *ad referendum* on a matter of high State policy) forbade consultation even with the executive committees of the Staff Associations which they represented.

At their 2nd April meeting which was the first one after publication of the White Paper the Staff Side adopted the following resolution:

That the National Staff Side expresses its regret that the Government has refused to admit canvassing as a generally conferred civil right and has also refused to include any section of the Executive Class in the "intermediate class." Experience in the two General Elections since the publication of the Masterman Report has confirmed the National Staff Side in its opinion that complete civil rights could have been accorded to all civil servants with perfect safety. The virtual denial of civil rights to so great a number of officers, including many of relatively junior status, is a retrograde step abhorrent to the National Staff Side.

### PRESS COMMENTS

In a leader headed "Weakening a Good Tradition," *The Times* (13th March, 1953) made the following comment on the White Paper:

The stage has not yet been reached when one can talk of a radical change in the non-political status of the Civil Service, but the tendency to find exceptions to the principles so well set down in the Masterman Committee's report suggests that there is a danger to be guarded against vigilantly. As that committee said, the public interest demands the maintenance not only of "political impartiality in the Civil Service," but also of "confidence in that impartiality." It is clear that the Government's new policy involves risks. It should be the very last concession to be made to the staff associations. There is not, as they like to suggest, any great principle of civil rights at stake. Entry to the Civil Service is a voluntary act, and those who cannot accept its conditions of employment can seek work elsewhere.



## THE POLITICAL ACTIVITIES OF CIVIL SERVANTS

The *Manchester Guardian* leader of the same date made the following comment :

There may still be some individual hard cases, but it is not easy to see how political freedom can go much farther if we are to maintain a non-political Civil Service. The Masterman Committee reported strongly : "Any weakening of the existing tradition of political impartiality would be the first step towards the creation of a political Civil Service. . . . Even the smallest move down that slope might eventually lead to the evils of the 'spoils' system." Any breath of suspicion that promotion in some department might go in return for political favours rendered would not only damage the service, but endanger the professional careers of civil servants with no wish to engage in politics. Public confidence is also at stake. The public on the whole deals with civil servants in relatively junior grades, and while they may in fact have next to no influence on official policy, to many members of the public they are the Ministry by which they are employed. If, say, an official of the National Assistance Board were known locally as a pronounced exponent of certain political views there would be scope for the most damaging controversy about even small decisions by him. The extension of political freedom "at discretion" is intended to cover such cases, and as a general rule permission to take part in politics will be governed by the degree of "remoteness from the public" of the individual concerned. It is a sound general policy. The Staff Side of the National Whitley Council for the Civil Service is still not satisfied that freedom goes far enough, and holds that all individuals should be left to decide for themselves whether they can fitly engage in politics or not. That seems a counsel of perfection. The danger is not so much that individual civil servants might show (or be shown) political favours, but that the outside world might assume such favours to exist. It is surely in the civil servant's own interest that no possible grounds for such suspicion should exist.



## Local Government Reorganisation

*The following Report has been prepared by representatives of the County Councils Association, Urban District Councils Association, Rural District Councils Association and National Association of Parish Councils for the consideration of their Associations.*

1. Following the issue of the Third (1947) Report of the Local Government Boundary Commission, which outlined that body's suggestions for reform, conferences based on those suggestions took place between representatives of the three Associations first named above and the Association of Municipal Corporations with a view to agreement being reached between them upon the future structure of local government and the functions of local authorities. These conferences were in progress when the Minister of Health announced in Parliament on 27th June, 1949, that the Government proposed to wind up the Commission. In the course of the Second Reading of the Bill for that purpose the Minister commented on the absence in the local government world of agreement on proposals for local government reform, and said the Government proposed to introduce, although not in the life of the then Parliament, their own legislative proposals.

2. The Royal Assent was given on 16th December, 1949, to the Local Government Boundary Commission (Dissolution) Act, 1949, and it was considered that no useful purpose would be served by the continuance of conferences based upon the suggestions of the Commission.

3. The three Associations and the Association of Municipal Corporations were, however, of the opinion that they would be well advised to enter upon discussions *de novo* in an endeavour to produce an agreed reorganisation scheme for submission to the Government. These continued until May, 1952, when they were adjourned until such time as the Association of Municipal Corporations had prepared and were able to submit a document containing their proposals for long-term reorganisation of local government.

4. Since May, 1952, the representatives of the County Councils Association, the Urban District Councils Association and the Rural District Councils Association have continued to confer and they later invited the National Association of Parish Councils to participate in their discussions. The representatives of the four associations are glad to say that they have reached agreement on proposals to be recommended to their respective associations and these are contained in the appendix to this report.

5. The representatives are aware from speeches inside and outside Parliament that Members of both Houses are intensely interested in the reorganisation of local government. Thus in 1951 the Minister of Local Government and Planning said that he was glad to know that the local authorities' associations were discussing the subject and that he would await with interest their conclusions. Later in the year it was stated that the Government were "prepared to consider the agreed proposals of the local authority associations and also to consider legislation arising from them" and that they believed that the consolidation and reorganisation of local government was best done in consultation with the local authority associations. In 1952 also the Minister of Housing and Local Government referred to

"the negotiations taking place between the various groups of local authority interests with a view to reaching some agreed solution."

6. The representatives trust that their respective associations will appreciate that the complex task on which they have been engaged has called for an approach on their part free from preconceptions and directed objectively to the creation of effective and convenient units of local government. The recommendations now submitted represent the result of long and careful examination and discussion and, such being the case, it follows that any alteration of the proposals, for example, a change in the recommended distribution of functions, would be a matter of cardinal importance affecting their whole basis.

7. It follows, too, that if the four associations approve the recommendations, no one of them should, without the concurrence of the others, in the course of the legislation necessary to give effect to the agreed proposals, suggest, countenance or support any alteration of those proposals or of the principles upon which they have been based.

8. The representatives of the four associations have not thought it desirable to include in their report a critical analysis of their reasons for the rejection of various other proposals for local government reorganisation, e.g., one-tier government or regional government. They do, however, deem it desirable to supplement their proposals with the following observations :

(a) The aim of the representatives has been to achieve effective and convenient local government administration and they have had constantly in mind the nine main factors enumerated in the Local Government (Boundary Commission) Regulations, 1945 (Note A to Appendix), which were considered and accepted by the three associations first named above and the Association of Municipal Corporations before their submission to Parliament.

(b) The recommendations now submitted have been agreed after due consideration of all other proposals which have been propounded.

(c) The existing framework of local government has proved to be not only satisfactory but also so flexible as to be capable of modification and evolution without of necessity any alteration of structure. The proposals are therefore based upon the existing types of local authorities. The representatives have avoided any attempt to formulate a plan for local government embodying minimum requirements as to size and population which, though it would have the attractions of orderliness, would, when applied, create more anomalies than it would remove, and furthermore fail to produce local authorities as effective, convenient and efficient as will be the result of their own proposals. It has been well said that it is often too easily assumed that any change is necessarily reform.

(d) The prescription of a minimum population limit for county district councils has been the subject of long and careful consideration and has been unanimously rejected. Individual local authorities exhibit characteristics in considerable variety and in distinction one from another. If a minimum population limit were fixed, the representatives are satisfied

that, unless it were fixed at an unrealistically low figure, many existing authorities which satisfy the factors set out in note A would be destroyed notwithstanding that they are providing, and could continue to provide, effective local government services. When the county reviews take place the functions which under these proposals all county district councils are to possess—and which are to be exercised by them exclusively and without power of relinquishment—will themselves require, in the light of all the individual local circumstances, the creation of authorities suited to the performance of those functions; the essential conditions which those who advocate a population limit seek thereby to satisfy will thus be secured, but with a much greater degree of flexibility in application and free from the disadvantages inherent in a rigid limit. Further, a minimum population limit would tend to direct the county review towards producing county districts not less than that minimum rather than districts settled on the basis referred to in sub-paragraph (a) above. In the same way, it would be inadvisable to introduce criteria of population in proposals for the selection of county districts which are to exercise delegated powers.

(e) Local government services so vary between themselves that more than one basis of administration is essential. The selection of the authority appropriate to each service has been a major matter, but the representatives believe that they have settled satisfactorily the functions appropriate to county, county borough, county district and parish councils and that an effective and sound review of local government areas can be based on their proposals.

9. The representatives have not thought it to be essential to their present consideration of the problems of structure and functions of local authorities also to consider the following important allied subjects, namely: (a) the revenues of local authorities; (b) the relationships (including the financial relationships) of central and local government so far as they concern methods of grant aid and affect local responsibility and independence; and (c) the assumption by local authorities of, or their participation in, certain functions, including some formerly exercised by local authorities, now carried out by the central government or other agencies. A broadening of the basis of local government finance needs also to be studied.

These matters can and ought to be the subject of careful deliberation; this can properly and more profitably be undertaken when it has been decided that the maintenance of the existing structure of local government and the allocation of functions now proposed are acceptable.

10. The representatives think it desirable to add that whilst the allocation of functions has proceeded, necessarily in their view, upon the basis that whilst some functions must be the sole responsibility of one type of authority there are others which must be the subject of delegation in varying degrees, there is one element necessary to the effective and harmonious conduct of local government which cannot always be the subject of statutory provision, namely, consultation. The representatives recommend that the practice of consultation should be freely adopted.

## LOCAL GOVERNMENT REORGANISATION

11. The representatives are aware that local government in conception and in practice will continue to develop in the future as in the past. Sometimes the needs of the day will prove to be capable of satisfaction by relatively small alteration of structure and/or responsibilities; at other times a reorganisation such as that now recommended will prove requisite. Whilst the recommendations now made are not expected by the representatives to be a perpetual and unalterable organisation of the local government of the country, it is considered that they constitute a scheme of reform under which local government can deal satisfactorily and fully with all demands made upon it now and in the foreseeable future.

### APPENDIX

#### *Structure of Local Government*

1. The County Councils Association, the Urban District Councils Association, the Rural District Councils Association and the National Association of Parish Councils have together considered the future structure of local government and the functions which should be exercised by local authorities. They are agreed that a system of two-tier government in administrative counties and single-tier government elsewhere, on the basis set out in the succeeding paragraphs, is well suited to the needs of local government and should continue. They are also agreed that parish councils should be retained as a third tier in the areas of rural district councils.

#### *Existing County Boroughs*

2. Existing county boroughs with a population of not less than 75,000 persons shall retain their present title and functions.

3. All other<sup>1</sup> existing county boroughs shall, on a date to be prescribed, cease to be county boroughs, but shall remain municipal boroughs retaining any special charter privileges.

#### *Future County Borough Status*

4. Existing<sup>2</sup> non-county boroughs and urban districts with a population of not less than 100,000 persons shall be entitled to deposit a Bill in Parliament for county borough status within a prescribed period. At any time after completion of the review under Paragraph 7 of the county districts within an administrative county, a non-county borough or urban district within such county and having a population of not less than 100,000 persons shall be entitled to apply for county borough status.

<sup>1</sup>The following nineteen County Boroughs have a population of less than 75,000: Barnsley, Barrow-in-Furness, Burton-on-Trent, Bury, Canterbury, Carlisle, Chester, Dewsbury, Dudley, Eastbourne, Gloucester, Great Yarmouth, Hastings, Lincoln, Merthyr Tydfil, Tynemouth, Wakefield, West Hartlepool and Worcester.

<sup>2</sup>The following thirteen non-County Boroughs and four Urban Districts already have populations of more than 100,000:—*Non-County Boroughs*: Dagenham (113,000), Baling (181,000), Edmonton (102,000), Hendon (156,000), Heston and Isleworth (105,000), Ilford (182,000), Leyton (104,000), Luton (110,000), Tottenham (125,000), Twickenham (106,000), Walthamstow (120,000), Wembley (130,000) and Willesden (180,000); *Urban Districts*: Enfield (109,000), Harrow (219,000), Hornchurch (104,000), and Rhondda (109,000).

The report points out that "with the exception of Luton Borough and Rhondda Urban District, all the non-county boroughs and urban districts named lie in an area which may become a conurbation."

*The Great Conurbations*

5. The great conurbations of the country (such as the metropolitan area outside the administrative county of London) shall be defined by statute and then be the subject of a review by the Minister of Housing and Local Government. Such review shall proceed on the basis that a two-tier form of local government shall be established, and shall be undertaken coincident with the review of counties referred to in Paragraph 6. As a part of undertaking such a review the Minister shall hold appropriate public local inquiries in respect of each conurbation. Before such public local inquiries are held the local authorities within a conurbation shall be entitled to submit to the Minister proposals not only for the division of the conurbation, or part of it, into units of local government, but also with respect to the allocation of functions as between the two tiers, the functions which are to be the subject of delegation from the authority or authorities in one tier to authorities in the other tier, and the content of and machinery for settling delegation schemes. Such proposals so submitted shall be considered at the public local inquiries. At the conclusion of the review the Minister shall submit for confirmation by Parliament his proposals for: (a) the division of the conurbations into units of local government which, having regard to the functions proposed to be administered by them, are individually and collectively effective and convenient (Note A); and (b) the administration by those units of the appropriate functions of local government.

*Review of Counties*

6. The Minister of Housing and Local Government, within a prescribed period, shall undertake a review of the counties in England and Wales, at which any local authority affected shall have a right to be heard, with the power of dividing, amalgamating, altering or extending their areas, so that the administrative counties (with the addition of any county boroughs abolished under Paragraph 3 and the omission of any new county borough created by the decision of Parliament upon a Bill deposited within the prescribed period for the purposes of Paragraph 4) will be individually and collectively effective and convenient units of local government (Note A).

*Review of County Districts*

7. After the completion of the review required by Paragraph 6 the county councils shall, within a prescribed period and after the manner of Section 146 of the Local Government Act, 1933, undertake a review of the county districts (Note B) in their counties with the power of dividing, extending, altering or amalgamating their areas, so that they will be individually and collectively effective and convenient units of local government (Note A).

In a case of amalgamation of two or more county districts (including non-county boroughs) the status of the new county district shall be settled by the county council or, on appeal, by the Minister. Neither a county council nor the Minister in such review shall have the power of creating a non-county borough, and the power so to settle the status of a new county district council shall be without prejudice to the right of such new county district council subsequently to submit a petition for borough status.



*Functions of Authorities—Direct and Delegated*

8. As regards functions :

(a) A county council shall possess and exercise exclusively, subject to a general power of delegation, the functions set out in Schedule I, expenditure being expenditure for general county purposes.

(b) A county borough council shall possess and exercise exclusively the functions set out in Schedules I, II and III, expenditure being met out of the funds of the council.

(c) A county district council (subject in the case of rural district councils to the next following sub-paragraph) shall possess and exercise exclusively and without power of relinquishment in relation to the administrative area of the council, the functions set out in Schedule II, expenditure being met out of the funds of the council.

(d) A parish council shall possess and exercise exclusively and without power of relinquishment in relation to the administrative area of the council, those functions set out in Schedule II against which the letter (a) appears, and, concurrently with rural district councils, those functions in that Schedule against which the letter (b) appears.

(e) The functions set out in Schedule III shall be the primary responsibility of a county council, expenditure being expenditure for general county purposes ; but the exercise, organisation and administration of such functions, subject as provided in Paragraph 9, shall be the subject of delegation to the county district councils in the manner and to the extent provided by a scheme of delegation made for each administrative county as provided by Paragraph 10.

*Reservations from Delegation*

9. Whatever the degree of delegation and to whatever authority delegation is given, there shall be reserved to the county council :

(a) Such financial control as will ensure that expenditure by a county district council shall be upon the basis only : (i) that estimates shall have been approved (Note C) by the county council and shall not be exceeded ; and (ii) that expenditure shall be incurred only in respect of authorised purposes ;

(b) The determination, after consultation with the district councils, of broad questions of policy, the county district councils possessing reasonable latitude to administer the delegated functions within that policy.

*Joint Committee for Scheme of Delegation*

10. The scheme of delegation to which reference is made in Paragraph 8 (e) above shall be prepared by a joint committee composed, as to one-half, of members of the county council, and, as to the remaining half, of representatives of the county district councils in the administrative county. The chairman of the joint committee shall be appointed from the members and shall have a vote but not a second or casting vote.

The joint committee shall prepare a scheme of delegation for the functions set out in Schedule III, except in so far as they may decide in relation to a particular function that it shall not be included in the scheme. The degree or degrees of delegation in relation to any function shall be determined with

regard to the nature of the service and the characteristics of the areas and of the administrative arrangements of the county district councils in the administrative county. The scheme shall contain provisions regarding the date when the county district councils designated under Paragraph 20 shall commence to exercise the delegated functions.

*Omission of Functions from Scheme of Delegation*

11. A decision of a joint committee that a particular function shall not be the subject of the scheme of delegation shall forthwith be communicated to the county council and to each county district council in the administrative county (hereinafter called "the councils concerned"). Any county district council aggrieved by the decision shall be entitled to submit, within a prescribed time, representations to the appropriate Minister (Note D) (and shall thereupon so notify the county council) who after receiving the observations of the joint committee, shall issue to them his decision which shall be deemed to be their decision.

*Degrees of Delegation*

12. A scheme may provide with respect to designated county district councils for varying degrees of delegation to authorities classed as being entitled to the full degree of delegation or such less degree or degrees of delegation, as may respectively be provided by the scheme.

*Draft Scheme of Delegation*

13. The joint committee shall prepare a draft scheme of delegation and send it to the councils concerned. The joint committee shall consider any written representations submitted within a prescribed time by any council concerned, before proceeding to consider the draft scheme with a view to making a scheme.

*Approval of Scheme of Delegation*

14. When the joint committee make the scheme of delegation, a copy shall forthwith be sent to the councils concerned, and the scheme shall not require any further approval unless a council concerned shall be aggrieved by the inclusion or omission of any provision. Any such council shall be entitled to submit, within a prescribed time, representations to the appropriate Minister who, after receiving the observations of the joint committee, shall issue to them his decision, which shall be deemed to be their decision.

*Failure to Make Decision*

15. Where the joint committee fail to decide whether or not a particular function shall be included in the scheme of delegation, the matter shall be referred by the joint committee to the appropriate Minister for decision. A copy of the reference to the Minister shall be sent to each of the councils concerned and they shall be entitled to submit representations to the Minister within a prescribed time. A copy of any representation submitted by a county council shall forthwith be supplied to each county district council, and a copy of any representation submitted by a county district council shall forthwith be supplied to the county council.

*Failure to Make Scheme*

16. Where the joint committee fail to make a scheme of delegation within the prescribed time, the duty of making a scheme shall pass to the Minister of Housing and Local Government in consultation with the appro-

appropriate Minister, subject to the right of the councils concerned to submit representations before it is made.

*Determination of Disputes*

17. Every scheme of delegation shall provide for the determination of any dispute between a county council and a county district council arising out of the operation of the scheme. Any such dispute shall, upon notice being given by one party to the other, stand referred to a tribunal consisting of three representatives (not being persons resident in the area of the county council concerned in the dispute or in the area of a contiguous county), appointed by the County Councils Association, and three representatives of district councils (other than of district councils either within the administrative county in which the dispute arises or of a contiguous administrative county) appointed as to one each by the Association of Municipal Corporations, the Urban District Councils Association and the Rural District Councils Association respectively. Decisions of the tribunal shall be final and binding upon the parties to the dispute.

The parties to the dispute shall each bear their own expenses and shall share equally the expenses of the tribunal who shall regulate their own procedure.

*Operation of Scheme*

18. If no representations have been submitted under Paragraphs 11 or 13 the county council shall forthwith, after the expiration of the prescribed time, so notify the county district councils and the scheme shall thereupon become operative. If representations have been submitted under Paragraphs 11, 13 or 14 the joint committee shall upon receipt of the Minister's decision forthwith notify the councils concerned of it and, in any case where the scheme made by the joint committee has been modified by the Minister, at the same time send to the councils concerned a copy of the scheme as so modified and the scheme shall thereupon become operative.

*Amendment of Scheme of Delegation*

19. The scheme of delegation may, after it has become operative, be amended at any time by agreement between the councils concerned. At any time after the expiration of eight years from the time when the scheme first became operative, but not later than nine years from such time, any of the councils concerned may requisition that the joint committee, constituted under Paragraph 10 of the memorandum, shall be reconstituted for the purpose of considering amendment of the scheme and upon such requisition being made the joint committee shall forthwith be reconstituted for that purpose and thereafter the procedure for considering and making any amendment of the scheme shall *mutatis mutandis* be the procedure for the consideration and making of the original scheme. If any such requisition shall be made, the ten-yearly review referred to in Paragraph 20 of this memorandum shall not take place until any decision of the joint committee has become operative. The same procedure in relation to the amendment of the scheme shall be followed at intervals of ten years.

*Exercise of Powers Under Scheme*

20. Within three months after the scheme of delegation has become operative, any county district council may apply to the county council for

designation as an authority entitled to exercise one or more of the delegated powers provided for by the scheme and, failing agreement, may appeal to the appropriate Minister.

Once a county district council have been so designated the exercise of any delegated power shall, subject to any relinquishment by agreement, continue subject only to review at intervals of ten years. If upon any such review the county council shall propose that delegated powers shall be withdrawn or shall be reduced in extent, any council affected may similarly appeal.

At such ten-yearly intervals a county district council not designated as an authority to exercise any delegated power provided for by the scheme, may apply to the county council to be designated and, failing agreement, may similarly appeal; provided that a county district council may at any time be designated by agreement between the council and the county council.

A county district council exercising delegated powers under the scheme shall in respect thereof have direct access to the appropriate Minister and shall receive relevant departmental documents.

#### *Delegation to Parish Councils*

21. A rural district council shall have power to delegate to parish councils any of the functions of rural district councils set out in Schedule II, expenditure being met out of the funds of the rural district council. Whatever the degree of delegation there shall be reserved to the district council:

(a) Such financial control as will ensure that expenditure by a parish council shall be upon the basis only: (i) that estimates shall have been approved (Note E) by the rural district council and shall not be exceeded; and (ii) that expenditure shall be incurred only in respect of authorised purposes.

(b) The determination, after consultation with the parish councils to which powers are to be delegated, of broad questions of policy, the parish councils possessing reasonable latitude to administer the delegated functions within that policy.

#### *Withdrawal of Delegation from Parish Councils*

22. The rural district council shall have power to withdraw delegation of functions and a parish council shall have power to relinquish delegation of functions subject to twelve months' notice expiring on 31st March to be given by one council to the other.

#### *Appeals by a Parish Council*

23. In any case where a rural district council have decided to delegate functions to a parish council under Paragraph 21, a parish council, if they are dissatisfied with the extent of the delegation (other than on matters which are unconditionally reserved to the rural district council under Paragraph 21), or with the rural district council's decision to withdraw delegated functions, may appeal to the appropriate Minister, who shall, after receiving the observations of the district council and parish council, issue his decision which shall be deemed to be the decision of the rural district council.

Where a rural district council have failed when requested by a parish council to delegate any or all of the functions set out in Schedule II and against which the letter (c) appears, the parish council may appeal to the

appropriate Minister whose decision shall be deemed to be that of the rural district council.

*Prescription of Time*

24. Where time is to be prescribed it shall be prescribed by the Minister of Housing and Local Government in consultation with the appropriate Minister. The Minister of Housing and Local Government shall have power in appropriate cases, except in relation to Paragraph 4, to extend a prescribed time upon application made before its expiration.

Note A.—Full regard should be had to the following nine main factors specified in Paragraph 2 of the schedule to the Local Government (Boundary Commission) Regulations, 1945: (a) community of interest; (b) development or anticipated development; (c) economic and industrial characteristics; (d) financial resources measured in relation to financial need, including in particular, but not exclusively, the average rateable value per head of population, rates raised per head of population and the estimated produce of a given rate poundage; (e) physical features, including in particular, but not exclusively, suitable boundaries, means of communication and accessibility to administrative centres and centres of business and social life; (f) population—size, distribution and characteristics; (g) record of administration by the local authorities concerned; (h) size and shape of the areas; (i) wishes of the inhabitants.

Note B.—Non-county boroughs and urban and rural districts.

Note C.—Expenditure within approved estimates is not to be subject to further reference to the county council.

Note D.—“The appropriate Minister” will be the Minister concerned with the function, delegation of which or part of which is in dispute, and references to appeals are to be so construed.

Note E.—Expenditure within approved estimates is not to be subject to further reference to the rural district council.

# SCHEDULE I

*Functions to be the exclusive responsibility of county councils subject to a general power of delegation*

- (a) Approved schools and remand homes.  
Community centres as local education authority.  
Coroners.  
Diseases of animals.  
Fire brigades.  
Health Services—ambulance and mental health.  
Libraries in rural districts (see Schedules II and III).  
Local taxation, Road Fund and other licences now issued by county councils.  
National Parks Act—access to the countryside and nature conservation—other than footpath functions under National Parks Act, Sections 27 and 29-34.  
Physical Training and Recreation Act, 1937, as local education authority.  
Police (through standing joint committee).  
Registration of births, deaths and marriages.  
Smallholdings.
- (b) Town and Country Planning—preparation and revision of Development Plan.

## PUBLIC ADMINISTRATION

- (c) Welfare—blind persons ; children and young persons ; aged people (in relation to hostels and homes) ; and the handicapped.

All other services now administered by county councils except as otherwise provided for by Schedules II and III.

### *Notes to Schedule I*

(a) It will often be convenient for the management of institutions to be delegated under paragraph 8 (a).

(b) After the broad outlines of the development plan have been settled and approved the infilling is to be a function delegatable to county district councils (see Schedule III).

## SCHEDULE II

*Functions to be the exclusive responsibility of non-county borough councils and urban district councils and also, subject to notes (a), (b) and (c) below, of rural district and parish councils*

- Art galleries and museums.
- (b) Allotments.
- (a) Baths and washhouses.
- (a) Burial grounds.
- (b) Cemeteries.
- (c) Car parks.
- Civic restaurants.
- Cleansing and watering of streets (except in rural districts).
- (c) Community centres (other than as local education authority).
- Crematoria.
- (c) Entertainments—provision of.
- (d) Food and Drugs (see also Schedule III).
- (a) Footpath functions under National Parks Act (Sections 27 and 29-34).
- Housing and slum clearance.
- Highways : unclassified roads and bridges thereon and private street works (except in rural districts).
- (c) Information service.
- (e) Libraries in boroughs and urban districts (see also Schedules I and III).
- Markets, abattoirs and cold stores.
- Milk and dairies.
- Notification of diseases.
- Nuisances and sanitary matters.
- (b) Parks and recreation grounds.
- (c) Physical Training and Recreation Act, 1937 (other than as local education authority).
- Prevention of pests.
- Rates collection.
- Refuse collection and disposal.
- (f) Sewerage and sewage disposal.
- Shops Acts.
- Small Dwellings Acquisition Acts.
- (b) Street lighting.
- (f) Water supply.



## LOCAL GOVERNMENT REORGANISATION

Services at present administered by non-county borough or urban district or rural district councils or parish councils or parish meetings except as otherwise provided for by this Schedule to continue to be so administered.

### *Notes to Schedule II*

(a), (b), (c) In the administrative areas of rural district councils the functions marked (a) are to be the exclusive responsibility of parish councils; in relation to functions marked (b) rural district councils and parish councils are to have concurrent powers; in relation to functions marked (c) parish councils may appeal against refusals of district councils to delegate.

(d) The Urban District Councils Association consider this function should appear in this Schedule for boroughs and urban districts and the Rural District Councils Association are of the opinion that, if the function is to be exercised by borough and urban district councils, it should be exercised also by rural district councils.

(e) The Urban District Councils Association consider this function should appear in this Schedule for boroughs and urban districts.

(f) There will have to be suitable saving clauses for sewage disposal and water schemes such as those operated by the Middlesex and Anglesey County Councils.

## SCHEDULE III

*Functions to be the primary responsibility of county councils, but the subject of delegation to non-county borough councils, urban district councils and rural district councils to the extent (if any) and in the manner provided for by delegation schemes*

Civil defence.

Education—primary, secondary and further.

Fertilisers and feeding stuffs.

(a) Food and Drugs (see also Schedule II).

Health Services under National Health Service Act, 1946 (other than ambulances and mental health).

Highways—classified roads and bridges in county districts.

Highways—unclassified roads and bridges and private street works (in rural districts).

Highways—cleansing and watering in rural districts.

(b) Libraries (except in rural districts).

Licensing of theatres, cinemas, etc.

(c) Town and country planning (except development plan).

Weights and measures.

Welfare—aged people (other than hostels and homes).

### *Notes to Schedule III*

(a) The County Councils Association, and the Rural District Councils Association subject to the reservation at the foot of Schedule II, consider this function should appear in this Schedule.

(b) The County Councils Association consider this function should appear in this Schedule for boroughs and urban districts.

(c) After the broad outlines of the development plan have been settled and approved the infilling is to be a function delegatable to county district councils.

# INTRODUCTION TO FRENCH LOCAL GOVERNMENT

By BRIAN CHAPMAN

Pp. 238. Price 18s. (13/6 to members of the Institute of Public Administration ordering direct from the Institute).

THIS book is the first post-war study in either French or English of the institutions and law relating to French local government, and on the current practice of French local administration. It is essentially a study in political science and not in law, and therefore, although the basic laws governing local institutions are dealt with in some detail, the aim is to give a living picture of those institutions at work.

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The book assumes no previous knowledge of the subject. It should be of the greatest interest to all those who have a professional or educational interest in local government. By comparison it illuminates our own attempts to solve the contemporary problem of combining central efficiency with local democracy. The book will be of obvious interest to all students of French government and of comparative public institutions.

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## BOOK REVIEWS

### *Le Civil Service Britannique*

By PAUL-MARIE GAUDEMET. *Cahiers de la Fondation Nationale des Sciences Politiques* No. 33. Librairie Armand Colin, Paris. 1952. Pp. 173.

SOME of the international business that used to be transacted through diplomatic channels alone now brings civil servants in the various departments face to face with their opposite numbers in other countries. At the same time people are trying to improve public administration by exchanging information about practices which have proved their success in one country and might with advantage be copied by another. Comparative studies are therefore in vogue, but they carry with them the risk that comparisons may be invalidated through a failure to take full account of the background of tradition and habit of the countries under review. The significance of a particular practice may be quite misunderstood if it is not observed in its setting. A case in point is the United Kingdom rule that certain high appointments in a Department may not be made without the approval of the Prime Minister, advised by the Permanent Secretary to the Treasury. The object of this rule is of course to ensure that in the filling of the highest posts account is taken of the pooled talent of the whole Civil Service and not only of the staff serving in the particular Department. But the observer from a country where advancement in the public service depends on influence may well assume the rule to be no more than a means of preserving a limited number of key posts from the effects of nepotism. Even between Western European countries there is much scope for misunderstanding, and the indolent reviewer, confronted with a foreign study of British administration, may expect to be able to fill his columns with a catalogue of false interpretations. On this occasion—subject to a few small points and one rather large one—there is no such happy hunting ground, and Professor Gaudemet is to be congratulated upon an essay on the British Civil Service which is shrewd and perceptive as well as sympathetic.

The researcher begins with the disability that when he asks for a copy of "the organic law" about the Civil Service he is informed that nothing of the kind exists. He may be shown a book of Treasury

rules, only to be told that it is no part of the law of the land. Indeed the amount of formal regulation, except in the matter of pensions, tends to diminish rather than increase. The rights and responsibilities of civil servants are based not on any statute, but on conventions which successive Governments have thought it right to maintain. Parliament too is jealous for the efficiency of the administrative machine and the author notes that parliamentary interest in it—but not, he adds, in the careers of individual civil servants—is closer than in countries where the status of the official is prescribed by law. Although the British civil servant lacks formal rights, the system in practice affords safeguards every bit as good as a statutory text.

In most Continental countries the government official has a standing of his own and is traditionally regarded as someone set in authority over the man in the street. The conception of service is now fostered, but there are vestiges of the old ideas; for example a French author writing since the last war says that the language of official communications ought to exhibit the courtesy shown by a superior to an inferior. Of the British official, Professor Gaudemet writes: "Il n'est pas une 'autorité' mais un 'serviteur.'" Whether or not he always succeeds in living up to the ideal of service, it is clear that he is not "an authority" in his own right. He is the instrument of the Minister to whom he is responsible, and here one should note a certain difference between the French and the British systems. Describing the career of a member of our Administrative Class, Professor Gaudemet speaks of his "passage dans un cabinet ministériel." That is a working translation of "going into the private office," as we should put it—a spell of service as private secretary to a Minister—but Continental readers must not assume from it the existence in this country of a Minister's *cabinet* in the sense of a body of political advisers with whom the Minister has surrounded himself. In fact British civil servants are themselves the confidential advisers of Ministers and not simply the

executants of their policy. It is not easy to explain to those unfamiliar with the system (and especially in a language in which a single word has to do duty for both "policy" and "politics") how officials who are strictly neutral in politics can play a part in the formation of policy. The role of the neutral adviser requires the fullest confidence between the political chief and the permanent official, and account must also be taken of the principle of the collective responsibility of Ministers, which requires a veil to be drawn over discussions leading up to interdepartmental agreement. These things have given rise to the strong tradition of secrecy which the author notes in our Civil Service. Many people see nothing more in this tradition than an occupational disease.

A civil servant may not approach his Member of Parliament on any matter affecting his work or his career. Given this rule, Professor Gaudemet finds it a weakness that the grievances of individuals are not discussed in Whitley Councils, but he overlooks the right of any staff association to take up the case of one of its members. While we are on conditions of service one minor correction needs to be made: no civil servant, whatever his rank, can take more than thirty-six days' leave a year, the theoretical maximum of forty-eight days having been in cold storage since 1939.

Something must be said about references in the essay to the "aristocratic" structure of the Civil Service. The picture is of a body of officials divided into classes determined mainly by the social and financial standing of their parents, a system which remained intact until it was mitigated, not radically changed, by an attempt at democratisation immediately after the last war. This is founded on the argument that until the war direct entrants to the Administrative Class nearly all came from Oxford or Cambridge and therefore from well-to-do families. The notion that these two universities were

until quite recently closed to the boy from a humble home is very wide of the mark, though a foreign observer is hardly to be blamed for falling into error on a point which is sometimes misunderstood even in this country. At present about four undergraduates out of five at Oxford and Cambridge are there on scholarships, and although between the wars the proportion was not so high it was substantial.

The Assistant Principal is sometimes imagined as having been given an easy start in life, but more often than not he will be found to have had a gruelling and highly competitive academic career by no means free from financial anxiety and without the compensation of beginning to earn his own living as early as his non-graduate colleagues. The division of the Civil Service into "classes" is based not on privilege, but on the gradations of the educational system, and is only "anachronistic," as the author calls it, if one is prepared to say that university education and indeed secondary education up to the age of 18 are anachronistic. The conception of the Administrative Class, which now has a parallel in France, derives from the view expressed in a ninety-nine-year-old report on examinations for the Indian Civil Service that the public service can be expected to gain something from the employment of "men who have been engaged, up to one or two and twenty, in studies which have no immediate connection with the business of any profession and of which the effect is merely to open, to invigorate and to enrich the mind. . . ."

Professor Gaudemet, who is a discerning enquirer, may be right in noting a certain "aristocratic" temper in the Civil Service, but that is not to be equated with the outlook of a privileged class. It can be explained as simply a general British phenomenon—that the "new men" thrown up by successive social revolutions have usually taken on some of the traditions of their predecessors.

T. D. KINGDOM.

## *Consultation and Co-operation in the Commonwealth*

By HEATHER J. HARVEY. Oxford University Press. 1952. Pp. 411. 30s.

THE two words "diplomacy" and "administration" in the past meant very distinct things. The former implied discreet subtle conversations between especially suave people called diplomats;

the latter meant the movements of minute-sheets up and down a sober and straightforward hierarchy. More recently it has come to be realised that they are little more than two words for the same kind

## BOOK REVIEWS

of activity, one performed with foreign nations, the other within the state. The diplomat operates as much with cups of tea and memoranda as with sherry and the delicate compliment; the administrator's energies are largely consumed by the need to be "diplomatic" in his relations with those above, below, or, more probably, opposite him on the ladders of authority. Above all, both live and move and have most of their being in conference hall and committee room. (Very properly did Lord Hankey, who knew that both worlds were one, call his book *Diplomacy by Conference*.) Both are always and everywhere essays in consultation and co-operation.

The Commonwealth is notoriously neither one thing nor the other, neither a super-state nor yet simply an international alliance; almost, one could say, the meeting place of "diplomacy" and "administration." In this connection alone, it is worth our study. Books on the Commonwealth until recently have concentrated attention on either the legal-cum-conventional framework or the actual policies of member nations. Too little has been written about that intermediate area which helps to explain how concerted policies so often emerge from this association of independent states. The present volume, described as "a handbook on methods and practice," performs this

task. Its title follows that of a similar work prepared by Mr. Palmer in 1934, but the changing character of the Commonwealth has made necessary not merely the addition of a great quantity of fresh material, but also, most significantly, changes in emphasis and arrangement.

The present volume achieves its object of collecting, "in one volume, the facts about the machinery of consultation and co-operation in the Commonwealth which would otherwise have to be sought in a multitude of other publications." Moreover, it is not simply descriptive of the present machinery, but shows also something of its development. It deals with the remaining constitutional links, describes the channels of communication between members and then deals at greater length with the subjects of defence and foreign affairs.

Although the arrangement of material has not always avoided confusion and repetition, and although it is to be regretted that no account appears of the host of important non-official bodies such as the Commonwealth Parliamentary Union which do so much to reinforce Commonwealth co-operation, this book is a useful reference volume for those concerned with Commonwealth affairs, while it can be relied on to tell much that will be new and illuminating to others.

W. H. MORRIS-JONES.

## *Some Management Problems in Local Government*

By JAMES E. MACCOLL. British Institute of Management. 1951. Pp. 30. 3s. 6d.

WITHIN the thirty pages of this little booklet the author propounds a remarkably wide range of problems affecting our local government system, but it is hardly to be expected that in a publication of this size he could do much in the way of offering solutions to his problems. In fact, he makes no attempt to do so beyond an occasional suggestion of the direction in which a solution may ultimately lie. He takes a very broad view of what are management problems and his criticisms range from the structural basis of our local government system down to details of staffing and day-to-day operational matters within a local authority.

The booklet is written very obviously from the standpoint of an elected member, and many will feel that the author does

less than justice to those many officials in the local government service—men of imagination, vision and foresight—who place service to the community above self-interest.

Some of his criticisms are, one feels, rather exaggerated. Possibly there are in some places, quoting the author's descriptions, officials who relapse into a cynical indifference to the welfare of their town, only arousing themselves to protect their own comfort and status, who throw at their committees masses of indigestible material in badly written, jargon-spattered reports and sit back to watch the councillors floundering from mistake to mistake. There may also be members who are ignorant, selfish or corrupt and who distrust a senior official because he moves

easily in social circles where they would never penetrate. But to make generalisations of this kind, based on what can only be isolated experiences which have come the author's way, can give to those without inside knowledge a totally wrong picture of the way our towns are run.

Discounting such exaggerations, however, there is much to stimulate thought in this publication. It is well that occasionally someone like Mr. MacColl should indulge in a little hard-hitting criticism and so help us to avoid a drift into complacency.

His comments on the excessive "departmentalisation" of the larger authorities in the absence of any real chief officer or general manager are provocative, but have an uncomfortable ring of truth. His picture of the present system, one of independent chief officers each pursuing his own course with little or no co-ordination below Council level, is perhaps a somewhat distorted one; many of our largest authorities do achieve a real co-operation between departments. But is this in spite of our present system rather than because of it? Mr. MacColl seems to think that development may come in the city manager type of organisation or perhaps something akin to the German burgomaster or American strong mayor as a co-ordinating executive. There are some interesting comments on the way in which the organisation of the London County Council is evolving, but, rather

strangely, he does not draw any comparison with the form of central government in Britain, one based on a ruling party with executive control operated through a cabinet.

The booklet contains an ardent plea for research and fact-finding and Mr. MacColl hurls another of his brickbats at the associations of local authorities for their apparent lack of interest in research or civic education. In fact he suggests that by their deficiencies in this respect they are allowing the independence of their constituent bodies to be sapped in that so much of the responsibility for improving standards is left to the central government.

On more domestic levels there are interesting chapters on the quest for efficiency by the development of O. & M. techniques and on staff recruitment and training, but probably most readers will enjoy more his views on the wider aspects of our local government system even though they may not agree with all his opinions.

In his conclusion the author does well to throw emphasis on the increasing central control over local authorities. As he so truly says, if the councils are to be merely the local agents of the central government there may still be interesting work for little men, but the days of the Joseph Chamberlains and Herbert Morrisons will be over.

F. GASKELL.

### *America's Manpower Crisis*

Edited by ROBERT A. WALKER. Public Administration Service. 1952. Pp. 191. \$3.00.

THIS volume contains the record of a stimulating and vigorous discussion organised by three universities and a number of professional associations in order to help create an informed public opinion on manpower. The scope was wide, the discussion centred round papers prepared by specialists, and the membership of the discussion group was confined to those who had a serious interest in the subject matter—members of universities, of the Armed Forces, Government Departments, employers' associations and trade unions. The findings of this institute have thus a special value.

The institute took place in August, 1951, a year after the start of the Korean war, the time when the effects of the

defence programme and the buying spree induced by the war were beginning to make themselves felt in the manpower field. The estimates for the next few years on which the institute worked were of increasingly severe pressure on manpower resources due to the maintenance of international tension and thus to the continuance of a state of semi-mobilisation. It is interesting that the latest figures show that broadly this estimate of the position was correct. Since a year ago unemployment in the United States has decreased to a very low level, civilian employment has increased in spite of the withdrawal of young men for the Armed Forces, and generally the position is one of a continued high demand for labour.



## BOOK REVIEWS

Against this background the institute discussed three main subjects: first, Government policies for manpower allocation; second, the more effective utilisation of manpower; and, third, factors affecting administrative leadership.

The first thing to strike a British reader is, as usual, how similar our problems are, and the second how immensely more difficult the United States version of the solution is rendered by the vastness of their scale.

The papers and discussion relating to the allocation of manpower deal with three main topics—the problems of maintaining in peace time Armed Forces of a size never before contemplated for a prolonged emergency. These have a familiar ring. How to combine a universal obligation for military service with the need for deferment of specialists whose skill is needed in civilian employment. How to overcome the problems of encompassing within the short period of compulsory service the training, transportation and effective use of men on more or less active service in distant theatres of war. A second subject of discussion under this head is the means by which manpower can be allocated to different branches of civilian work to conform with national needs, and the third topic is how to ensure the future supply of men and women for those occupations and professions which are vital to national security in the future.

One of the interesting things about this whole discussion on manpower allocation is that the institute felt it necessary to argue out at length the need for some central plan for the utilisation of manpower; for recognition of the fact that you cannot take military and production decisions and leave manpower to take care of itself. This led on to the finding that the Government manpower organisation was highly dispersed and relied too much on co-ordination devices—a unified central organisation was recommended. As manpower shortages develop this should take over responsibility for decisions on deferment carried out at present by the Selective Service system working under the Office of Defence Mobilisation. The institute reaffirmed the voluntary principle of manpower allocation, working through the determination by the Government of priorities, the guidance of individual applicants for employment through the Employment Service, and the provision of the necessary incentives and conditions

to attract labour to the right places and to keep it there. This system for allocating manpower was to be backed by arrangements to ensure that the production and procurement departments played their part by allocating their contracts with proper regard to labour supply considerations. This again raises echoes in this country and makes one wish that a study might one day be made of how effective such indirect means of allocating manpower can be.

The main paper round which the discussion on the second subject took place—the effective utilisation of manpower—is written from the point of view of the social research worker who has been examining the theory lying behind what is generally recognised in both countries as “good personnel management.” The “ego recognition theory” or the importance of making each individual worker feel that he “counts” in the works is the main theme, and from this flow recommendations concerning the great importance of further development of supervisory training. A paper on personnel practice in Federal agencies covers a wider field and deals in practical terms with problems of staff training, promotion, annual reporting, joint consultation, and other familiar subjects. An interesting part of the paper shows the different role of the Civil Service Commission in the United States. Apart from its task of recruitment the work of the Commission includes general advice on personnel management, on promotion systems, supervisor training, job classification, much, in fact, of the general establishment work undertaken by the Treasury.

This leads on to the last part and one of direct interest to Civil Servants—factors affecting administrative leadership. The main problem posed here is whether it is better to staff Government agencies with career men permanently in the public service, or with personnel drawn from non-governmental fields. Briefly this is known as “career staffing versus programme staffing.” The course of the discussion shows how the status of the Federal Civil Service is affected by the traditional attitude of a federal country—that too much central government is a bad thing, and, therefore, too many too highly paid officials in the federal service are also a bad thing. Hence, the discussion on bringing in senior executives from

outside to staff or help to staff Government Departments does not turn, as it would in this country, on how best to supplement the regular Civil Service at a time of expansion in emergency, but on whether it would not be a good thing for far more emphasis to be placed in the normal way on staffing from outside. The conclusion is to some extent a compromise. Measures should be taken to improve the quality and availability of senior and administrative and executive staff in the career service, but equally more needs to be done to ensure that senior executives from outside can quickly be found and attracted. This is particularly so for emergency pro-

grammes which it is recommended should be staffed in the main from outside. To read the record of this particular discussion is to appreciate very clearly the differences between the systems of government in this country and in the United States and how they spring from historical differences.

This whole record is in fact a fascinating example of how two countries which have certain problems common in all major respects, except size, can only solve them by the processes which are acceptable to each in the light of their whole background and history.

MARY SMETON.

## BOOK NOTES

### *Railway Commercial Practice (Volume Two—Freight)*

By H. F. SANDERSON. Chapman and Hall. 1952. Pp. ix+312. 30s.

THIS volume is designed as a text-book to meet the needs of all who are concerned with railway freight services, whether as operators, users or students. It opens with a survey of the technical processes and transport requirements of the main industries of Great Britain, and proceeds to describe the facilities which British Railways provide in order to meet these varied needs, the charges which are made for them, and the operational problems to which they give rise.

### *Productivity and Trade Unions*

By F. ZWEIG. Basil Blackwell. 1951. Pp. 240. 21s.

THE author investigates the effect of trade unions on productivity by means of a series of comprehensive studies, based on first-hand interviews, of actual conditions in five selected industries: building, cotton, iron and steel, printing and engineering. A brief introductory section is also included in order to sketch the general background of industrial life and labour relations in this country. One of the most striking impressions left by a reading of the book is the extent to which the trade unions are the repositories of collective memories which have receded from the memory of their individual members. This realisation lends added force to the author's contention

that in the field of labour relations we should always think in terms not of isolated phenomena but of basic situations and of the group behaviour which determines them.

### *Exemptions from Rating*

Incorporated Association of Rating and Valuation Officers. 1952. Pp. xvi+105. 16s.

A SURVEY of the various grounds for exemption from rates, comprising chapters on common law, total and partial statutory exemption, and special methods of valuation which may restrict the assessments on which rates are levied. For each class of exemption or special treatment the various statutory provisions are quoted and then elucidated in the light of the relevant case law.

### *The Worker's Point of View—A Discussion of "Reporting Back" based on a Study in a Coalfield*

Acton Society Trust. 1952. Pp. 32. 2s.

A STUDY of the need for an effective system for the communication of information between miners and management. The bulk of the report is based on research carried out in a single coalfield, though it is recognised that much of the information handled relates not to a single establishment but to the industry as a whole. The present methods of reporting back are described, their effectiveness is assessed on a basis of factual enquiry; proposals

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are made for achieving better results. In conclusion it is stated that the study has revealed a disquieting picture of ill-informed miners and a management with little clear idea of the need for useful information effectively presented. The management at all levels, the consultative committees and the trade unions are urged to devote their attention to this urgent problem.

***Report of an Experiment in Hospital Costing***

Nuffield Provincial Hospitals Trust.  
1952. Pp. 235. 5s.

AN interim report on an experiment in standard hospital costing carried out in selected hospitals, at the invitation of the Minister of Health, by officers of the Nuffield Provincial Hospitals Trust and of a number of hospital groups. The aim of the investigation was to determine the ways in which departmental costing might improve the financial control of hospitals. On the basis of data assembled during the experiment, the authors of the report are able to recommend a form of departmental costing for hospitals with over 100 beds which may be introduced without excessive cost and which, in their view, would result in an improvement in the existing accounting.

***Exchequer Equalisation Grant. Report of the Treasurers of County Borough Councils not receiving the Grant***

1952. Pp. 9.

THIS report stresses the consequences of the delay in revaluation, which was to have been completed by 1952 but has now been postponed until 1956. It is submitted that, in the absence of a uniform basis of valuation, the Exchequer Equalisation Grant cannot work equitably and recommendations are made for adjusting the existing formula so as to ensure that part of the grant goes to those County and County Borough Councils at present excluded.

***Industrial Relations Handbook***

Ministry of Labour and National Service. H.M.S.O. 1953. Pp. 284.  
4s. 6d.

THE first edition of the *Industrial Relations Handbook* was issued in 1944, and the

many subsequent changes in the field have necessitated a complete revision of the original information. In addition, certain material, hitherto only available in supplements, has now been included in the main work. The latter now contains a full and up-to-date account of the organisation of employers and workpeople; collective bargaining and joint negotiating machinery; conciliation and arbitration; and statutory regulation of wages in certain industries. Additional information is contained in eleven very useful appendices.

***The Community Factor in Modern Technology***

By JEROME F. SCOTT and R. P. LYNTON.  
Unesco. 1952. Pp. 171. 6s.

THIS international study of the "sense of belonging" in industry is based on fourteen field studies carried out by specialists in Belgium, France, Italy, Sweden, Switzerland and the United Kingdom with the aim of finding ways to relieve the tensions and discords of industrial society. One of the most effective counter-measures to these evils is seen in the restoration of a sense of community satisfaction through a wide dispersal of industry, based on consultation and participation rather than force, which will make possible a closer relationship between industry and agriculture, town and country.

***Education in a Technological Society***

Unesco. 1952. Pp. 73. 4s.

A PRELIMINARY international survey of the nature and efficacy of technical education, this report considers the problem of adapting education systems and methods to the great industrial, economic and social changes which the past fifty years have witnessed. The present state of technological education is found to be unsatisfactory and various proposals are advanced for remedying the defects which the investigation revealed. Among the measures advocated are a substantial expansion of technical education, with improvement both in the practical content of general education and in the cultural content of technical education; training for adaptability to changing circumstances; and the devotion of particular attention to the education of girls and women.

*National Council of Social Service.  
Annual Report, 1951-52*

N.C.S.S. 1953. Pp. 59. 1s. 6d.

THIS report records a further year's expansion and progress in the work of the Council and of its associated groups and committees.

*Voluntary Service and the State: A  
Study of the Needs of the Hospital  
Service*

GEORGE BARBER. 1952. Pp. 132. 2s. 6d.

THE National Council of Social Service and King Edward's Hospital Fund for London are jointly responsible for this investigation of the effects on voluntary social service of the transfer of the hospitals to the Minister of Health in 1948. These changes are considered against the background of the broader problem raised by the need to adapt the pattern of voluntary service to the assumption by the state of increasing responsibilities. The general conclusions of the report are that the partnership of the state and voluntary service in administering hospital services calls for courage and imagination; that fuller delegation to the hospitals themselves is necessary for the success of this partnership; and that administration by the professional officer, however efficient, will never remove the need for voluntary effort, whether in the form of personal service or of financial assistance.

*Bulletins on Soviet Economic Development: Bulletin 7 (Series 2)*

Faculty of Commerce and Social Science,  
University of Birmingham. 1952.  
Pp. 48. 30s. (for series).

THIS bulletin comprises articles on finance by R. W. Davies, on the productivity of labour in industry by G. R. Barker, and on the economic significance of compulsory labour in the U.S.S.R. by Alexander Baykov.

*Administrative Problems in a Metropolitan Area*

By GEDDES W. RUTHERFORD. Public  
Administration Service, Chicago. 1952.  
Pp. xiv+63. \$2. 50.

A SURVEY of the problems of government to which the expansion of Washington D.C. into the neighbouring States has given rise. This phenomenon is an inevitable con-

comitant of the expanding activities of the headquarters of the U.S. Federal Government which can no longer be confined to a small area which was delimited in 1846 and which at that time appeared to be excessively generous in size. The development is also considered as part of a nation-wide trend towards metropolitan areas as the population moves from city centres to suburbs and other fringe districts. The adjustment to this trend of the existing organs of local government is seen by the author to be one of the major administrative problems of our time. The aim must be to avoid the present overlapping and confusion, while preserving the identity and individuality of the various constituent parts of the area. After considering the history of the administrative organisation of the Washington area for various services and the existing arrangements for co-operation between the authorities concerned, the author reaches the conclusion that the future government of the area should be based on an interstate compact between the District of Columbia and the States of Maryland and Virginia; and on an increased resort to co-ordinating devices such as committees, agreements, parallel action and joint conferences.

*County Income Estimates for Seven  
Southeastern States*

By JOHN LITTLEPAGE LANCASTER. Bureau  
of Population and Economic Research,  
University of Virginia. 1952. Pp. xi+  
246. \$5.

THIS report of a conference on the measurement of county income contains a general introduction outlining the problems of measuring county income, followed by a wealth of statistical material, presented in tabular form by counties, covering total income payments to individuals; *per capita* income payments; and gross wages and salaries.

*A Broadcast in the Making (Filmstrip  
and Notes)*

Educational Productions Ltd. 1952.  
Pp. 16. 15s.

THIS filmstrip and the accompanying notes are intended primarily for school use, but most radio listeners should find of interest the vivid description of both the arrangements for a broadcast and the technical devices by which it reaches the listener.

## BOOK NOTES

### *Relations with the Public*

No. 12 (the last) in the Acton Society Trust Series on Nationalised Industry. 1953. Pp. 39. 2s.

A SURVEY of the information provided by the various Boards and of their annual reports. The working of the Consumer Councils is also considered and finally there is a short general discussion of the relations between the Boards and the public. It is felt that the Boards need to give far more attention to the matter and that in particular they ought to make greater efforts to know more about the views and needs of their consumers. Finally, though the method of maintaining relations between the Board and Parliament is important, the basis of good public relations must be to make the actual consumer feel more in touch with the Board and reduce the sense of remoteness. Good public relations must therefore be local, not merely national.

### *Housing Management*

Report prepared by Metropolitan Boroughs (Organisation and Methods) Committee. 1952. Pp. 27. 21s. (from G. R. Coyne, Westminster City Hall).

THIS is a detailed study of the administrative aspects of municipal housing estates—handling applications and lettings, collecting rents, financial control, etc. It contains

much good advice, and even though a great many of the points made will already be familiar to most Treasurers it is a good thing to have them brought together in such a handy form. It will certainly be worth while for every Housing Committee to examine their organisation in the light of these recommendations.

### *Progressive Taxation*

By F. SHEHAB. Oxford University Press. 1953. Pp. 299. 27s. 6d.

AN excellent study of the development of the progressive principle in the British Income Tax from the early beginnings up to and including the Royal Commission of 1919. There is a full bibliography.

### *The Universities and Industry Conference*

Report by the Federation of British Industries on a conference held in October, 1952. Pp. 87. 5s.

AMONG the papers reprinted is a most interesting one by Sir John Maud on: How does the Civil Service use the university graduate and which of his qualities have proved most valuable? Others papers deal with the needs of industry, the use made of graduates by industry, and the university viewpoint.

## RECENT GOVERNMENT PUBLICATIONS

THE following official publications issued by H.M.S.O. are of particular interest to those engaged in, or studying, public administration. The documents are available for reference in the Library of the Institute.

### Admiralty.

Statement of the First Lord of the Admiralty explanatory of the Navy estimates, 1953-54. Cmd. 8769. Pp. 13. 6d.

### Air Ministry.

Air estimates, 1953-54. H.C. 82. Pp. 248. 8s.

Memorandum by the Secretary of State for Air to accompany air estimates, 1953-54. Cmd. 8771. Pp. 8. 4d.

### Board of Trade.

Monopolies and Restrictive Practices (Inquiry & Control) Act, 1948. Report by the Board of Trade for the year 1952. H.C. 98. Pp. 16. February, 1953. 9d.

Monopolies and Restrictive Practices Commission. Report on the supply of insulin. H.C. 296. Pp. iii, 38. 1952. 1s. 6d.

### Central Health Services Council.

The reception and welfare of in-patients in hospitals. Pp. 24. 1953. 9d.

### Charity Commission.

One hundredth report of the Charity Commissioners for England and Wales; report of proceedings during 1952. Pp. 23. 9d.

# PUBLIC ADMINISTRATION

## Colonial Office.

Colonial Research publication No. 15. Friendly societies in the West Indies: report on a survey by A. F. and D. Wells and a despatch from the Secretary of State for the Colonies to the West Indian Governors dated 15th May, 1952. Pp. 131. 1953. 7s. 6d.

The administration of justice and the urban African: a study of urban native courts in Northern Rhodesia, by A. L. Epstein. (Colonial research studies No. 7.) Pp. ii, 124. 1953. 7s. 6d. (*Processed.*)

## Commissioners of Customs and Excise.

Forty-third report for the year ended 31st March, 1952. Cmd. 8727. Pp. 179. 1953. 6s.

## Commissioners of Inland Revenue.

Ninety-fifth report for the year ended 31st March, 1952. Cmd. 8726. Pp. 197. 1953. 7s.

## Committee of Public Accounts.

Session 1952-53. First report—Treasury minute and abstract of appropriation accounts. H.C. 48. Pp. 24. 9d.

Session 1952-53. Second report—Excess votes. H.C. 106. Pp. 12. 6d.

## Commonwealth Relations Office.

Southern Rhodesia, Northern Rhodesia and Nyasaland: report by the Conference on Federation, London, January, 1953. Cmd. 8753. Pp. 24. 1953. 1s.

Southern Rhodesia, Northern Rhodesia and Nyasaland. The Federal Scheme prepared by a Conference held in London, January, 1953. Cmd. 8754. Pp. 46. 1s. 6d.

## Department of Scientific and Industrial Research.

Report for the year 1951-52. Cmd. 8773. Pp. 293. February, 1953. 8s. Contains 38 pp. bibliography of works published by the Department and by various research associations during the year.

Scientific research in British Universities, 1951-52. Pp. 485. 8s. 6d. (*Processed.*)

## Exchequer and Audit Department.

Civil appropriation accounts (Classes I-VIII, 1951-52). H.C. 32. Pp. xlvii, 487. 1952. 14s.

Hospital Endowments Fund. Account, 1951-52. H.C. 28. Pp. 11. 1953. 6d.

Revenue Departments appropriation accounts, 1951-52. H.C. 14. Pp. viii, 33. 1s. 6d.

Trading accounts and balance sheets, 1951-52. H.C. 16. 2 vols. 8s.

## Foreign Office.

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# What are Public Service Commissions for?

By A. P. SINKER, C.B.

*A lecture delivered in the University of London on 21st October, 1952,  
by the First Civil Service Commissioner.*

SINCE the war visitors from many countries have come to the Civil Service Commission to ask us exactly what we do and why we do it. In particular we have been consulted by those countries of the British Commonwealth who have been, or are in the process of, constitution-making. For instance, within the past few weeks we have received visits from the Chairmen of the Public Service Commissions of India and of Pakistan, and from an official mission from Nigeria. They have all discussed with us many of the finer points of the rather delicate mechanism or system of balances on which the organisation of the public service depends. These discussions generally take us down to first principles, which is a good thing for a British bureaucrat because it takes him away from his day-to-day work and makes him think afresh about the reasons underlying his activities. It also enables him to see his own set-up through the eyes of someone brought up in a tradition different but not wholly remote from his own. For this reason I propose to refer to practices in some of the Commonwealth countries and the U.S.A., rather than in other countries whose constitutional traditions are more remote. I have used the phrase "Public Service Commission" only because it is rather more commonly used outside this country than "Civil Service Commission."

## *The Civil Service Commission*

When I discussed the subject of this lecture with Professor Robson some time ago he told me: "You can assume that your audience will know all about 1855 and All That." I am acting on this assumption and will try to avoid repeating the elementary history of the Civil Service Commission in this country. You may, however, wish to be reminded briefly of what the constitutional position of the Commissioners is. Since 1855 the Queen-in-Council or King-in-Council has appointed Commissioners to test and select candidates for appointment to the Civil Service.\* Their main functions derive from the Royal Prerogative and in exercising them they are wholly independent of political or other control. They are civil servants and subject to the usual conditions which govern the Service, but apart from gross misconduct they are, to the best of my belief, less easily removable than normal civil servants. I say "to the best of my belief" because so far as I know nobody has yet attempted to remove or transfer the Commissioners

\*There are no detailed rules governing the appointment of the Civil Service Commissioners. Their number, for instance, has varied; at present they number six, of whom two are part-time. They are appointed by Her Majesty in Council under the Order in Council of 22nd July, 1920, and hold office during Her Majesty's pleasure. Their main function is, in the language of the Order in Council, that of "testing the qualifications of persons proposed to be appointed to situations or employment in Her Majesty's Civil Establishments."

against their will, and in this country you are fortunately never quite certain what can or can't be done until someone tries it. In any case the real strength of the Commissioners' position of independence is that there is a tacit and unwritten agreement between political parties, reinforced by strong parliamentary and public opinion, that the Commissioners should be left to exercise their functions in an independent and impartial manner.

Though the Commissioners derive their main functions from the Royal Prerogative, their powers are reinforced also by statute. The Superannuation Acts, 1859-1949, make the award of a pension dependent on the possession of a certificate of qualification from the Commissioners. Thus an established civil servant is one who is qualified for the award of a pension in due course: he must hold a certificate from the Commissioners. This has always been a powerful reason for keeping the Commissioners in the picture when initial appointments are made. Originally the Commissioners were responsible for temporary appointments as well as established appointments. Owing to war exigencies and recent developments in Government activities this would nowadays be impracticable. But it would be wrong if the Commissioners limited their attention only to those receiving life appointments in the Civil Service. We are therefore at the present moment wrestling with the problem of drawing the line between temporary and "permanent unestablished" appointments; the former being left to Departments, and the latter remaining a responsibility of the Commissioners.

#### *Patronage or Commission?*

To turn now to the question I propose to discuss: What is the object of our activities? Are we a "good thing"? In this country and in recent times we have almost taken the answer for granted. I will read a paragraph from the report of the Royal Commission on the Indian Civil Service in 1924:

Wherever democratic institutions exist, experience has shown that to secure an efficient Civil Service it is essential to protect it, so far as possible, from political or personal influences and to give it that position of stability and security which is vital to its successful working as the impartial and efficient instrument by which Governments, of whatever political complexion, may give effect to their policies. In countries where this principle has been neglected, and where the "spoils system" has taken its place, an inefficient and disorganised Civil Service has been the inevitable result and corruption has been rampant.

The language has the lapidary assurance of a Roman inscription: to question the ideas behind it seems almost as bad as to scribble one's name on a monument. But these ideas are of recent growth, and they still flourish only in certain areas of the world. When the Northcote-Trevelyan Report on the reform of the Civil Service was circulated in 1854 to experienced public servants and teachers, there was by no means a chorus of approval for the proposals. In general the teachers favoured the proposals—thus showing, perhaps, more wisdom than the public servants. Nearly all the public servants were hostile. I will quote one passage from the reply from

H. U. Addington, who was Permanent Under Secretary for Foreign Affairs :

I fear that the tendency to favouritism, and what is vulgarly termed "jobbing," must be looked upon as inherent in every system of Government ; as, in truth, the ineradicable vice of all Governments : and that, if the former is the blot of despotic, the latter is the blot of constitutional, Governments. "Jobbing" is a part, though an ugly part, of the price which a free people pay for their constitutional liberty. So long as there are parliamentary constituents they will ask favours of Members of Parliament, and Members of Parliament of Ministers ; and Ministers will, on their part, have a tendency to satisfy such solicitants if in their power.

Addington was not alone in defending the existing system of jobbing or patronage.

In America the objections to a permanent Civil Service, impartially selected, were still stronger. To Americans at the turn of the eighteenth and nineteenth centuries a permanent Civil Service meant a system of royal patronage. They thought that the best antidote to this was a system of rotation of offices. Ever since the days of ancient Athens the rotation of offices of state has been regarded as a device for sharing out power. We have our own form of it, of course, in this country. The crux of the question is, where to draw the line between the rotating or changing political appointments and the permanent non-political appointments. America did, and does, draw the line somewhat differently from ours : the difference dates from the Americans' reaction against royal patronage. "Where annual elections end, there tyranny begins," said John Adams at the end of the eighteenth century. The ardent democrat Andrew Jackson, who was elected President in 1828, went further. He suggested a further justification for the rotation system, in which he believed sincerely, in his first annual message as President :

The duties of all public offices are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performance ; and I cannot but believe that more is lost by the long continuance of men in office than is generally gained by their experience.

Jackson then proceeded to introduce in a bigger way than ever before the spoils system, a system which still has its exponents and its defenders. In America the great majority of permanent Civil Service posts have now been "classified"—that is, they are subject to appointment by the Civil Service Commission and are not political appointments—but the percentage fluctuates from time to time. In 1883 the percentage was 10 ; in 1933 it rose to 82, then fell somewhat owing to the sudden increase in Government activity under the New Deal. In 1949 the percentage was 88. Many, however, of the remaining 12 per cent. are naturally the higher appointments—appointments that include not only political posts but also what in this country would be higher Civil Service posts. It will be interesting to see whether in the event of a change of party in the White House in 1952, after twenty lean years for the Republicans, there is any decrease in the percentage

of classified posts. The idea that rotation is a good thing, and that after twenty years it is high time to rotate, has been brought much into play in the present election campaign.

In this country too, even in recent times, there have been upholders of the doctrine that the higher ranges of the Civil Service should be packed with Government supporters. I remember, for instance, reading or hearing not many years ago suggestions that in order to carry out any advanced policies sweeping changes in the higher Civil Service would be necessary. Since 1945 these suggestions seem to have died down—I imagine because it was found in practice that the existing Civil Service were after all not so bad at translating these policies into legislation and subsequently into action. There have also been suggestions that civil servants should be free to take a more active part in politics than hitherto, and you will remember the White Paper on the subject which was issued a few years ago. To pursue this controversy would take us too far from our present subject. But I think that all are agreed that where Ministers have surrendered their powers to make political appointments in the Civil Service it is a natural corollary that at least the middle and higher civil servants should refrain from taking an active part in politics.

This then is one objection that has been raised to an independent Civil Service Commission—that the spoils or rotation system is more democratic. There is another objection that is seldom voiced because it belongs to the range of fundamental and unconscious assumptions, but it is acted on in many parts of the world and was acted on until 100 years or so ago in this country.

In visiting some countries in the world today, for instance in the Middle East, the observer would find a flourishing system of patronage, not only political but also private and personal. One tries by wire-pulling to get Government jobs for one's nearest and dearest, and sometimes even for one's wife's uncle. At first sight the Englishman may be shocked at this: but on reflection he will remember that until the middle of the nineteenth century a similar system flourished in this country. Pepys is sometimes regarded as the first modern civil servant, and in some ways he was certainly two hundred years or more in advance of his times. (His humane and eager gaze can still be seen in the National Portrait Gallery.) But even Pepys was guilty of actions which would have put a very rapid end to his career as Secretary of the Admiralty now, while his contemporaries appear by our standards to have gone in for the grossest forms of patronage and corruption. Nor was there much sign of change until the end of the eighteenth century. Is the contrast between then and now, between Middle East and here, merely a moral contrast between black and white? It may help us to look at our system through the eyes of an imaginary Middle-Easterner. He might say: "I see that under your present system you pride yourselves on not giving a helping hand to your friends and relatives. Is this wholly a virtue? I feel myself under an obligation to my relations: if they are in want I feed them, or better, get them a job so that they can feed themselves. You leave your relatives to the care of the State. You may be more virtuous, but you are also more cold-hearted. You may be more dutiful towards the State, but you are less dutiful towards your own family and relatives."



An eighteenth century Englishman might in this respect feel nearer to the Middle-Easterner than to us. And here I should like to digress for a few minutes to ask a historical question to which I have been unable to find a satisfactory answer. Perhaps someone has written about it and I have missed it, or perhaps it is a subject which would repay research. The question is this: What caused the change of heart in this country over questions of public morality, especially on Civil Service questions, between the end of the eighteenth century and now? The landmarks are clear enough: methods of financial control began to be improved in the 1780s; in the middle of the nineteenth century patronage was suppressed, first in appointments to the East India Company and thereafter in the Home Civil Service. (Cynics might add that the suppression of patronage proceeded in that order—in the Charter Company first, and only afterwards in the Civil Service—because Governments were more willing to rob other people of patronage than to rob themselves.) The leaders in the reforms are clear enough: Burke at the earlier stage, and at the later stage Macaulay with his report on the Indian Civil Service, Trevelyan and Northcote with their report on the Home Civil Service, Jowett with his famous letter on the same subject, and finally Gladstone who regarded the re-organisation of the Civil Service as “*my* contribution to the picnic of Parliamentary Reform.” The chief actors and the chief events are clear enough, but what were the motive forces behind them and behind the change in public opinion which made the changes both necessary and possible? I can think of some, but they are not entirely adequate, and I hope that one day a historian will give a satisfactory answer.

To return to our main theme: I do not think we can answer the objection from our imaginary Middle-Easterner or eighteenth century Englishman by a simple statement that our system of public morality is right and his is wrong. Morally there is something to be said on both sides—on the side of duty to the family as well as on the other side. The purist may say: “Of course patronage is morally wrong; it means giving away something that isn’t yours.” But even that depends on the generally accepted view of what is and isn’t yours. In the eighteenth century many offices were regarded as belonging to this or that dispenser of patronage, in the sense that they were in his gift—a phrase still used of some ecclesiastical appointments. On the moral question therefore we must recognise that the answer is not a simple one. It is certainly not merely a question of the difference between Western and Eastern morality, nor even of the difference between the ethical systems of different religions. The Englishman sometimes needs to be reminded that in this country our answer to the moral question has been quite different at different periods in our history.

The stronger argument in favour of our present system is the practical one—that it has been found from experience to work better. There are of course upholders of the contrary view. In the present century a certain First Sea Lord stoutly maintained that favouritism was the best method. From a short-term point of view he was probably right. An able man, by putting his finger on the right people, can surround himself with a team who will get things done more quickly than if the team is assembled by more centralised and impersonal methods of recruitment. There have been many examples, especially in war-time. But in the long term, and in the public

service as opposed to private enterprise, the method of favouritism, however enlightened, has serious disadvantages. Experience in this country has shown that under the old system of private and political patronage the Government was deprived of the services of the most able men because their place was taken by those whose only qualification was the possession of influence. Existing civil servants were discouraged from putting their hearts into their work, because advancement depended not on their ability and zeal, but on the chances of political and private favouritism. The Civil Service was unable to provide continuity of administrative experience for the benefit of successive Governments, because the senior posts changed hands when Governments changed. The number of civil servants was unnecessarily enlarged in order to provide posts for the protégés of Ministers and others. By drawing on the widest possible field for recruitment the Civil Service discovered more able people than when it relied on a system of personal contacts; moreover, it was able to divide the talent more evenly amongst all Government Departments.

The function therefore of a Public Service Commission in this and other countries is two-fold: first, to adapt a famous phrase in American history, it must "keep the rascals out"; second, it must try to put the best men in. The former purpose may be the enemy of the latter. I have read that in the U.S.A., as a reaction against the spoils system, the American Civil Service Commission concentrated for many years on erecting barriers against improper entry and thus sometimes discouraged the good as well as the bad candidates. However that may be, it is certainly a standing temptation to the Commissioners here to think of themselves only as watchdogs, and to forget that they are also recruiting sergeants. I should like therefore to say a little more about our second function—that of putting the best men in, or selection.

#### *Basis of Selection*

Selection is nearly always carried out by means of publicly advertised open competition. I will not weary you with a description of the procedure for conducting an open competition, which is necessarily more complicated than you might expect at first sight. Instead, I will concentrate on a question of principle on which there have always been differences of opinion.

On this question of selection for the Civil Service there were and are two main camps, which I will call that of Macaulay and that of Chadwick. The first believes in basing selection on general education, giving the candidates freedom to offer whatever subjects they may have taken at school or university, and the second believes in demanding special training in subjects supposed to be more or less directly relevant to Civil Service work. (I am referring to the general classes of the Civil Service, not, of course, to the professional and technical classes where clearly special knowledge and experience are necessary.)

Macaulay's view is summed up in one sentence from his speech on Indian Civil Service recruitment in the House of Commons in 1833 when, in advocating a scheme of competition for the Indian Civil Service, he said: "Whatever be the languages—whatever be the sciences, which it is in any age or country the fashion to teach, those who become the greatest proficients

in those languages and those sciences will generally be the flower of the youth—the most acute—the most industrious—the most ambitious of honourable distinctions.” His view was reinforced by the practical consideration that by testing candidates on their general education you do not lead them up the garden path ; if they fail for the Civil Service they do not find that they have prepared themselves for nothing but the Civil Service. Macaulay’s views at the time found more support from the educational world than from public servants. Edwin Chadwick was one of the public servants who took the opposite view, though he was thinking primarily of specialists such as sanitary engineers and accountants, and does not seem to have thought of the idea of a general administrative class. On the whole it is true to say that this country has followed the Macaulay school of thought, while America together with some of the members of the British Commonwealth has followed Chadwick.

Recently I have been reading some of the early reports of the Civil Service Commission and I have been impressed by the extent to which the Indian Civil Service influenced the development of our Home Civil Service in the latter part of the nineteenth century. In the Indian Civil Service heavy and varied responsibilities fell on young shoulders, and they were responsibilities that called for all-rounders rather than for specialists. This reflected back, so to speak, upon the Home Service, and facilitated the development of an Administrative Class who were, and are, given responsibility young and who are expected to be able to turn their hand quickly to a wide variety of tasks. Recruitment to the Indian Civil Service and to the Home Service went hand in hand and naturally followed the same line.

### *Post-War Developments*

Are we likely to abandon Macaulay? Personally I have seen very few signs that opinion is likely to move in that direction. But there have been two developments in recent years which perhaps help to bridge the gulf between the two schools of thought. First, it is or ought to be a corollary of the Macaulay system that the deficiency of special knowledge should be made good by post-entry training. Since the war, much more attention has been paid to this than previously. Second, the interview has been developed as an important part of selection procedure. One of our methods of selection consists of two complementary parts. First the candidate is required to attain at least Second Class Honours in any University subject : of this Macaulay would have approved. Second, he is subjected to a series of interviews and of tests on practical problems : of this I think Chadwick might have approved. There is some reason therefore to hope that, in performance of their task of putting the best men in, the Commissioners may one day arrive at the ideal combination of the best in Macaulay together with the best in Chadwick. But we must not try to move too fast : when we resumed normal recruitment in 1947 it was wisely decided that the new method of selection should be run in parallel with the old for a period of ten years, and that we should then review them both on the principle that the proof of the pudding is in the eating. I will not try to anticipate what the findings of the Commissioners may be in 1957.

*Scope of Commission's Functions*

I referred earlier to the delicate mechanism or system of balances that must necessarily exist in a public service. I had in mind particularly the different functions and responsibilities of the Civil Service Commission, the Treasury, and the individual Departments of State respectively, within the general field of Civil Service organisation. In reading the annual reports of the Public Service Commissions of the different countries of the Commonwealth one meets interesting differences. A full explanation of these would require a detailed study of each country, but I should like to touch on a few general points, concerning the allocation of responsibility between the Commissioners and other authorities.

In some countries the Government of the day may refuse to accept the Commissioners' recommendation and may appoint its own candidate. In theory that can happen here: the Commissioners only select, the Minister appoints. In practice conflicts are very rare, indeed almost non-existent. In their first report in 1856 the Commissioners were able to state: "As regards the particular cases of the individuals subjected to our examinations there has been an entire absence of interference, and a tacit but complete recognition of the judicial nature of our functions on the part of Your Majesty's Government." Fortunately that tradition has continued. Other members of the Commonwealth are not so fortunate. The annual reports, for instance, of some of the Commissions in the Commonwealth set out at some length particulars of individual cases where the Government or Governor-General has over-riden the advice of the Commissioners. It is at any rate healthy that these cases should be made public in the annual reports.

One of the main difficulties which is being experienced in countries which are new to the ways of Parliamentary democracy is the relative shortage of men of standing and acknowledged impartiality to serve as members of Selection Boards. In this country the Commissioners are able to call on large numbers of such men in many walks of life to sit on the many Selection Boards which are required for all kinds of posts in the public service. The source of supply is so plentiful that we are almost unconscious of our blessings. The difficulty in some other countries was well summed up in a question put to me the other day by an African visitor. "In my country," he said, "we should have little respect for a man who had not taken an active part in politics during the past few years. Where then are we to find men of acknowledged impartiality to sit on Selection Boards for the Public Service?" I do not think there is any answer except the platitude that it is difficult to short-circuit the processes of history.

In addition to selection, the Commissioners both here and in other countries have responsibility for checking up on the health and character of successful candidates; for their assignment to the different Departments of State; and, in some cases, for the confirmation of appointment after a probationary period. Apart from these, the Public Service Commissions in most other Commonwealth countries, unlike our own Commission, exercise additional functions, which fall into two categories:

- (a) Promotion, disciplinary cases, and the hearing of appeals by civil servants, for instance appeals against non-promotion. With us

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these functions are exercised mainly by each Department of State for its own staff.

(b) Fixing of salaries and wages, complements and grading (or classification of posts), conditions of service, negotiations with Staff Associations, organisation and methods, training. With us these functions are exercised either by the Treasury or by the individual Departments.

As to group (a), promotion and discipline, we are fortunate in this country that these can be left in the main to Departments. (I say "in the main," because promotion falls into two categories. There is promotion from one grade to another within a class, for instance, within the executive class. There is also promotion from one class to another, for instance, from the executive to the administrative class. The former is advance up a single ladder; the latter involves stepping over to a higher ladder. The former is wholly a matter for Departments. The latter is partly a matter for the Commissioners which I shall refer to later on.) I am often asked by foreign visitors: Is not promotion just as much exposed to the dangers of favouritism as initial appointment? The answer in theory is, of course, yes, but in practice the tradition of fair play, ably supported by Staff Associations, ensures that in general justice is done and that at the lower and middle levels the balance is carefully held between the claims of seniority and merit. At the higher levels, where political influence might be expected to enter in, the tradition of non-interference by Ministers seems to be sufficiently firmly rooted to ensure that, with rare exceptions, it does not. In countries where these conditions do not yet exist, it may well be advisable to set the Public Service Commission as a watch-dog over promotions as well as first appointments, even though the divided responsibility between the Commission and the Head of the Department must lead to serious practical disadvantages. In this country we can safely leave Departments to paddle their own canoes, which is of course much the most satisfactory method of getting the canoe along. The Commissioners confine their attention to certain forms of class-to-class promotion. There is of course nothing final about the present arrangements and we, like other Public Service Commissions, find that promotion furnishes us with some of our most difficult problems.

The exercise of disciplinary powers, including dismissal, lies wholly outside the Commission's responsibilities in this country. Logically of course there is much to be said for the exercise by an independent body, such as a Public Service Commission or a Conseil d'Etat, of judicial or quasi-judicial powers in connection with the dismissal of civil servants. Other countries have found this necessary. Here the civil servant, although he has no legal status, can appeal to the head of his Department and can, if he wishes, enlist the support of his Staff Association. In practice, if not in law, his position is a strong one. Though perhaps illogical, our system works because public opinion would view with such strong disfavour any attempt at victimisation for political or other reasons. In countries where circumstances are different, it may be appropriate that Public Service Commissions should be brought in as a court of appeal for serious disciplinary cases. They do in fact at present exercise such powers in most other countries of the Commonwealth.

The second group of functions (pay, complements, organisation and methods, etc.) are here mainly exercised by the Establishments side of the Treasury. In the U.S.A. they are divided between the Civil Service Commission and the Bureau of the Budget. In the older Commonwealth countries they fall mainly to the Public Service Commission. In this country there have been those who think that they should be taken away from the Treasury on the grounds that the Treasury is too obsessed with immediate economy to be able to think in wider terms about efficiency, which of course includes the human side—the maintenance of good morale. There may have been something in this a generation ago. I remember turning up the Treasury Circular of 1919 which had instituted Principal Financial Officers and Principal Establishment Officers in each of the main Departments of State. The Circular devoted several pages to the duties of the Financial Officer and, so far as I remember, only one sentence to the duties of the Establishment Officer. Anyone who has read Treasury Circulars since the second war would perhaps come to the conclusion that the boot is now on the other foot. In any case it is difficult for an English civil servant to see how these functions can be effectively or permanently divorced from the power that holds the purse strings. In certain circumstances, for instance, to give an impetus to a major overhaul of a Civil Service, a temporary divorce might be desirable: but, as it seems to me, control will revert sooner or later to the holder of the purse. This, however, is treacherous ground. In the comparative study of organisations, and even of political institutions, the general principles are mostly so obvious as to be platitudes: in the application of the general principles the circumstances of each individual case are all-important, and it is therefore virtually impossible to carry over any direct lessons from one country to another. All I would say is that in this respect I should guess that the other countries of the Commonwealth are in the long run more likely to move over towards our system than we towards theirs.

### *The Continuing Need*

Some people would go further and say that in this country the Civil Service Commission has now served its purpose and that greater freedom could now be safely given to Government Departments to recruit their own staff. Historically, it is argued, a Civil Service Commission was necessary in order to destroy patronage in the public service: but now this has been achieved and now that a solid tradition of impartial methods of appointment has been built up, with a firm foundation in public opinion, the time has come to allow to Departments the freedom in initial appointments which they already have in promotion. Local Government, it is argued, gets along all right without assistance from a Public Service Commission, and so do the public corporations and nationalised industries. Why not the Civil Service itself?

On this question we cannot argue from experience because we have not tried abolishing the Civil Service Commission. Any answer to it must be a matter of opinion. My own opinion is that the old Adam of patronage is not so easily destroyed, and that he might raise his head again if the Commissioners ceased to sit on his grave. He might be more likely to re-appear in a new form than in the old. Nowadays, for instance, very many civil



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servants achieve advancement to a higher class of the Civil Service than the one in which they started. Advancement of this kind normally depends, up to a certain age, on success in one of the many Service-wide internal competitions conducted by the Civil Service Commission. If advancement into the higher classes were left entirely to individual Departments, considerations of seniority, possibly pressed in some cases by Staff Associations, might exercise undue influence. There might be considerable inequality of standards between different Departments, and possibly a general lowering of standards. The Commissioners, unlike Departments, can and do remain wholly immune from such influences. They have sole responsibility both for the maintenance of proper standards in competitions within the Service and for the equal application of these standards throughout the Service. It is difficult to see how this responsibility could be exercised by any other body.

The old Adam, then, might re-appear in a new form. My own guess is that he might also re-appear in some of his older forms. Now that the Civil Service has greater powers and plays a more active part in the life of the community than ever before, the evil results of any form of political or private influence would be correspondingly greater. The risk of political influence being exercised may be less ; its results, if exercised, would certainly be more severely felt. A hundred years is not very long in the history of this country, and the Commission is not yet quite a hundred years old. I do not think our task has been completed, if indeed it ever will be.

On the other hand I am not one of those who think that the Civil Service system of recruitment should be extended to the public corporations and nationalised industries. It would of course be idle to deny that the dangers of patronage exist there too. But, granted this, the balance of advantage seems clearly to lie in giving the greatest possible freedom to each organisation to manage its own affairs. With the exception of appointment to certain posts in the B.B.C. the Commissioners do not participate in recruitment to any of the public corporations.

### *Conclusions*

To sum up. The experience of nearly a century in this country suggests that a Public Service Commission has two fundamental purposes : first, to eliminate patronage in all its forms ; and second, to find the best men available and put them in. The arguments in favour of recruitment by a Public Service Commission are practical rather than moral, though there are of course moral arguments too. There will always be short-term arguments against recruitment by Public Service Commissions : but opinion in this country has come down firmly in favour of the long-term advantages. The Commissioners must remember that they are not only watch-dogs : they must constantly be seeking to improve their methods of attracting candidates and selecting the best. How far a Public Service Commission should exercise other functions in addition to recruitment is a question to which no general answer is possible. In countries where the tradition is not yet firmly established that the permanent Civil Service should be kept free from political and private influence, there is clearly much to be said for giving more extended powers and duties to the Commissioners. In this country we are fortunate

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that apart from recruitment and some forms of promotion Departments are left to run their own ships, subject always to the general Establishment control of the Treasury.

In the last resort, however, the effectiveness of a Public Service Commission in this or any other country depends on two conditions which are more important than any regulations or rigid demarcation of responsibility. It depends, first, on the unwritten but firmly established convention, accepted by all parties, that the Commissioners should be free from interference in the exercise of their functions. It depends, secondly, on the habit of close consultation and co-operation between the Commissioners, the Treasury, Departments and Staff Associations. These two conditions are necessarily of slow growth. As Commissioners we are fortunate that in this country both conditions are fulfilled.

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# The North of Scotland Hydro-Electric Board

By H. A. CLEGG and T. E. CHESTER

*This survey of the history, organisation and work of this Board brings out some interesting features not found in the other nationalised industries. Mr. Clegg is a Fellow of Nuffield College and Dr. Chester is Director of the Acton Society. The material on which this article is based was collected by the Acton Society Trust, and the authors wish to record their gratitude to the Trustees of the Society for permission to use it.*

THE nationalised industries are commonly thought of as exceptionally large undertakings; and so indeed are those which receive most public attention. They have been criticised as too big and over-centralised by, amongst others, the authors of this article.<sup>1</sup> There is, however, no standard pattern of nationalisation, and it is a matter worthy of some attention that one of the nationalised undertakings, the North of Scotland Hydro-Electric Board, not only is a relatively small concern, but has also developed an internal system of administration of its own, which is in striking contrast to those of some of the big nationalised industries.

The following paragraphs constitute an attempt to describe the main outlines of the organisation of the North of Scotland Hydro-Electric Board, and to make some comparisons with other nationalised industries. In order to make discussion of the Board's organisation intelligible, it must be prefaced by a brief account of the Board's origin and development. No attempt is made to enter into details of the Board's labour relations, still less of its commercial and technical activities, or of the economics of hydro-electric generation.

The material which has been used includes the report of the Cooper Committee (1942)<sup>2</sup>; the Hydro-Electric Development (Scotland) Act, 1943; the Electricity Act, 1947; parliamentary questions and parliamentary debates on the Bills which preceded these Acts, and on certain other relevant Bills; the annual reports and other publications of the Board; and a number of interviews with officers of the Board and visits to its headquarters and some of its areas.

## Scope and Functions

The North of Scotland Hydro-Electric Board is responsible for generation, transmission and distribution over an area of 21,750 square miles—almost three-quarters of the total land-area of Scotland, or about one-quarter of the land-area of Great Britain. The population of this area, however, is only one-quarter of Scotland's total population and about 2.5 per cent. of that of Great Britain. By the end of 1952 the total number of consumers connected was 283,000; of these 96,000 had been connected since April, 1948. The Board estimates that each of these consumers "represents, on the average,

<sup>1</sup>See Nationalised Industry Pamphlet No. 9, *Patterns of Organisation*, Acton Society Trust, 1951, and *The Future of Nationalisation*, Clegg and Chester, Blackwell, 1953.

<sup>2</sup>Report of the Committee on Hydro-Electric Development in Scotland, Cmd. 6406, 1943.

just over three people" and that "there are still some 87,000 potential consumers left to connect."<sup>3</sup>

In 1952 the Board generated 1,237 million units of electricity (compared with 62,393 million units for the whole of Great Britain). Eighteen hydro-electric stations generated about 72 per cent. of this total, steam stations about 24 per cent. (almost entirely from two large stations at Aberdeen and Dundee), and the balance came from twenty-six small diesel stations.<sup>4</sup> Of the total units sold about 27 per cent. was supplied to domestic consumers, about 28 per cent. in bulk supply to the British Electricity Authority, and most of the remainder to farms (4 per cent.), shops, offices and other business premises (12 per cent.) and factories and workshops (23 per cent.).

The total fixed assets of the Board at the end of 1952 stood at nearly £83 million, of which about £52 million represented capital expenditure on the hydro-electric schemes undertaken by the Board. Its revenue from sales of electricity during the year was just over £6 million, and its surplus for the year nearly £5 thousand. Over 390,000 kilowatts capacity of hydro-electric generating plant is in operation, and a further 700,000 is under construction or in course of promotion and survey.

At the end of 1952 the Board employed a staff of 2,541, of which 151<sup>5</sup> worked at its headquarters in Edinburgh. A further 6,200 workers were employed by contractors on constructional work for the Board.

#### *The Cooper Committee's Report*

The British Aluminium Company was responsible for the first experiment in hydro-electric generation in Scotland as early as 1896. In 1930 and 1932 two large stations at Rannoch and Tummel were constructed. The requisite parliamentary powers had been obtained in 1922 by the Grampian Electricity Supply Company, whose shares were acquired by the Scottish Power Company in 1927. A number of further schemes were promoted during the inter-war years, but all of them failed to win the consent of Parliament, except a scheme in Lanarkshire which was approved in 1924, and one in Galloway which was approved in 1929. Opposition came mainly from landowning and sporting interests and from the Mining Association. In 1941 a further scheme was rejected by the House of Commons, but in October of that year the Secretary of State for Scotland appointed a Committee<sup>6</sup> "to consider (a) the practicability

<sup>3</sup>Annual Report, 1952.

<sup>4</sup>Half of these diesel stations are described as "relegated to standby or reduced duty".

<sup>5</sup>The break-down of headquarters staff is as follows:

(i) General Manager and other chief officers and heads of departments ..	7
(ii) Chief Electrical and Mechanical Engineer's department ..	18
(iii) Wayleaves ..	9
(iv) Chief Hydraulic and Civil Engineer's department ..	8
(v) Drawing Office ..	6
(vi) Secretary's department ..	56
(vii) Commercial Engineer's department ..	6
(viii) Chief Accountant's department ..	39
(ix) Information Officer's department ..	2
	<hr/> 151

<sup>6</sup>The members of the Committee were Lord Cooper (Chairman), Lord Weir, Messrs. Neil Beaton, John A. Cameron and James Williamson.

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and desirability of further developments in the use of water power resources in Scotland for the generation of electricity, and (b) by what type of authority or body such developments, if any, should be undertaken, having due regard to the general interest of the local population and to considerations of amenity." The Committee presented its report to the Secretary of State in December, 1942.

Having briefly sketched the history of electricity supply in Scotland, the report went on to survey the existing position. The Central Electricity Board had prepared and carried out schemes for Southern and Central Scotland but it did not prepare a scheme for Northern Scotland on the grounds that the only area which it would be of "immediate advantage" to develop was substantially the area included in the Grampian Company's proposals. In the opinion of the Committee the work undertaken by the Company since then had fully justified this decision, and it held that the Company "have proved themselves under conditions of unusual difficulty to be competent planners of electrical development and capable suppliers." The suggestion that the parent company—the Scottish Power Company—had exploited the area was disproved by the figure for net revenue over the whole period of the Grampian's existence—"little over  $3\frac{1}{2}$  per cent."; and the Committee held that there had been no "improper delay in giving supplies in the remoter sections of the area." Outside the Grampian territory there were fourteen authorised undertakers, six of them also "owned or controlled by the Scottish Power Company." Four of the remainder took supplies in bulk from the Grampian; but several of them were local authorities serving small heavily-populated areas. Large areas were without any supply, and no undertaker had powers to supply them.

The success of the Grampian was attributed to its contract for bulk sale of its surplus power to the Central Electricity Board. So far from this amounting to exploitation of the Highlands for the benefit of the Lowlands, the Committee asserted that it was the essential prerequisite of reasonably cheap supplies to "districts in themselves unremunerative."

Further development covering the whole of Northern Scotland was held up not only by opposition to the several schemes submitted to Parliament since the Grampian scheme obtained approval, but also by the fact that the Grampian covered only part of Northern Scotland. Even within its area there were a number of separate undertakings with "a variety of independent rights and powers."<sup>7</sup> For these reasons a plan for the whole region could only be achieved "if at all, by friendly negotiation," and the Committee could discover "no policy for the development of water power resources nor any responsible authority to frame one and to ensure that it is carried out."

Before giving their recommendations the Committee made, at some length, three further points. First of all, they argued that quite apart from the needs of the North of Scotland, development of Scotland's water power resources was in the national interest. In their opinion hydro-electric generation was cheaper than steam generation and likely to remain so. On the most optimistic assumptions the potential local demand was only a fraction of the power which would be developed, so that a large surplus would remain for export south.

<sup>7</sup>This same point, as the Committee notes, had been urged by the McGowan Committee Report (1937) against the system of electricity distribution for the whole country.

The expectation of rapidly growing demand for electricity (so long as the economy continued to expand) meant that water power would not *replace* steam, but would be required to supplement it.

Secondly, the Committee argued that the depopulation of the Highlands, which it deplored, would continue unless the amenities which electricity could give were made available to its remote communities, and unless rural occupations were supplemented by industrial development. As far as the latter were concerned, the Committee placed its hopes mainly on the "electro-chemical and electro-metallurgical industries." It held that these industries ought to be encouraged, but that "no further such industries can be established here as economic propositions on a steam basis." On this score, then, the national interest coincided with that of the Highlands in urging the exploitation of water power resources.

Thirdly, a caution was offered. Although the future of the North of Scotland was so closely bound up with the provision of electricity to new potential consumers, the extremely heavy costs of transmission and distribution in sparsely populated areas would prevent the fulfilment of the most sanguine expectations for development in the remoter rural areas. Even where potential consumers lived close to main transmission lines, the capital cost of providing a low voltage connection would be prohibitive unless the potential demand was large. Where communities were large enough something could be done in this way; otherwise there was "scope for the investigation of the possibilities of constructing on favourable sites small isolated developments designed for the supply of communities remote from the distribution network."

The Committee rejected the suggestions made to them that separate small or medium schemes could serve the North of Scotland's needs as it saw them. On the other hand, it rejected the proposal that "all existing undertakings" should "be acquired and merged in a public corporation with new and wide powers."<sup>8</sup> Instead they recommended the establishment of a "new public service corporation of five members" who should be responsible for "initiating and undertaking the development of all further generation of electricity in the Northern Area, its transmission and supply in bulk to the existing undertakers," and for generation, transmission and distribution outside their boundaries. Its "primary objectives" should be to attract electro-chemical and electro-metallurgical industries to the Highlands, to develop the power required by consumers in the Northern Area and export the surplus, and to experiment with schemes for isolated districts. Suitable arrangements should be made for co-operation with the Central Electricity Board. Like the McGowan Committee before it and the subsequent Reid<sup>9</sup> and Heyworth Committees,<sup>10</sup> the Committee emphasised that the new body must have adequate powers. The Act constituting it should "authorise once and for all the scheme of development to be undertaken," and put an end to the sad story of unsuccessful promotions.

The opinions of those opposed to development on the grounds that it would injure the fisheries or amenities of the Highlands were not ignored, although they were treated with some asperity. The Committee felt that

<sup>8</sup>In explanation the Committee referred to the McGowan Committee's reasons for rejecting a similar solution to the problems of electricity distribution throughout the country.

<sup>9</sup>Cmd. 6610, 1945.

<sup>10</sup>Cmd 6699, 1945.



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previous investigations and experience in other countries showed that development need do little or no harm to the stock of fish or the beauties of the scenery. The appointment of an Amenities Committee to advise the new Board should further reduce the dangers. Finally, the Committee questioned whether the interests "of those holiday-makers who wish to contemplate [the Highlands] in their natural state during the comparatively brief season imposed by climatic conditions" should be held to be paramount.

### *The 1943 Bill*

The main tributes to the Committee's work were the closeness of the proposals of the Government's Bill to their recommendations, and the speed with which it was introduced. A North of Scotland Hydro-Electric Board was to be established whose "general duties" were, with little more than verbal alterations, the responsibilities suggested by the Committee and summarised above. In addition "so far as their powers and duties permit" the Board was to "collaborate in carrying out any measures for the economic and social improvement of the North of Scotland District or any part thereof."<sup>11</sup> The Board was to prepare a general development scheme for its area and submit it for the approval of the Electricity Commissioners and the confirmation of the Secretary of State for Scotland. Thereafter the Board should prepare particular constructional schemes and distribution schemes. These schemes would also require approval and confirmation. If this were given, the Board was armed with powers of compulsory acquisition of land and financial (including borrowing) powers sufficient to carry out the schemes without further impediment. The Secretary of State was to appoint an Amenities Committee and a Fisheries Committee, who were to have the right of appeal to him should the Board reject their recommendations. One of the members of the Board was to be a member of the Central Electricity Board appointed by that Board, and a Joint Technical Committee of the two Boards was to facilitate co-operation. Arrangements were prescribed for settling the price of bulk supplies from the North of Scotland Board to the C.E.B. The Board was empowered to acquire existing undertakings within its area by agreement.

Even the number of members suggested by the Committee was accepted when the Act turned, in its First Schedule, to the constitution of the Board. Of the five members only the Deputy Chairman, who was also to be the Chief Executive Officer, was "required to devote his whole time to the duties of his office." The members of the Board, apart from the representative of the C.E.B., were to be appointed by the Secretary of State and the Minister of Fuel and Power acting jointly, under terms and conditions settled by them.

<sup>11</sup>The economic and social difficulties of the North of Scotland are well known. In moving the Second Reading of the Bill, the Secretary of State for Scotland, Mr. Johnston, said that in the 425 parishes in the area covered by the Bill (excluding the burghs of Inverness, Aberdeen and Perth) "the population showed a decrease of 100,000 in the thirty years between 1901 and 1931. That was 12 per cent. of the total of the people in the area. There are counties . . . where one-third of the population has disappeared in the last 60 years . . . It is the young who are emigrating from the Highlands and the old who remain . . . If the parish of Lochbroom, in Wester Ross, be taken as a sample of that population movement, there, in 60 years, the population has fallen by more than half, the number of persons of 70 years of age has increased by 15 per cent. and the number aged 15-45 has fallen by two-thirds.

"There is no single remedy for that tragic state of affairs but one partial remedy lies to our hands"—hydro-electric development.

The Bill was introduced to the Commons on behalf of the Coalition Government by the Secretary of State for Scotland, Mr. Tom Johnston, a Labour M.P. Accordingly, its proposals were treated as non-partisan. A number of members with particular interest in Scotland or in the electricity industry showed anxiety about some points in their speeches, but both in the Commons and the Lords amendments were few and of relatively minor significance.<sup>12</sup> The constitution of the Board was attacked both on the grounds that it was needlessly circumscribed by "bureaucratic" controls, and that it should be made more fully responsible to the Secretary of State and, through him, to Parliament. These arguments, however, won little support.

Accordingly, the Bill proceeded rapidly on its way with general approval. It received its third reading in the Commons on 27th May, 1943, and on 27th July the Lords' amendments were accepted. Royal assent was given in August, within nine months of the publication of the Cooper Committee's report.

### *First Years of the Board's Work*

The Board took up their duties on 1st January, 1944. The Earl of Airlie was the first chairman. The first representative of the C.E.B., Mr. Whigham, soon resigned, and was replaced by Sir Duncan Watson; Mr. Neil Beaton, who had been a member of the Cooper Committee, and Provost (later Sir) Hugh Mackenzie, were the other part-time members; and Mr. A. E. (later Sir Edward) MacColl, previously the Manager for Scotland of the C.E.B., became the Deputy Chairman and Chief Executive Officer.

The first task of the Board was to engage a headquarters' staff sufficient to permit them to prepare schemes. The development scheme was confirmed in March, 1944, and the first two construction schemes early the following year. By the time that the designs for these projects were ready the war had ended. In June, 1945, work started on the first and most famous of the Board's schemes at Loch Sloy. During the same year the first distribution schemes were confirmed and work on them commenced early in 1946.

By the end of 1947 the Board had placed contracts to the value of over £20 million. They had ceased to live only on bank advances, and had made their first public issue (still in the era of Daltonian finance—2½ per cent. at par). Four thousand workers were engaged on projects, nearly one-third of them at Loch Sloy. Nine construction schemes (comprising twelve hydro-electric projects) had been confirmed, and work was in progress on eight of them. Fourteen distribution schemes, which included the islands as well as the mainland, had been confirmed, and work had begun on nine. Other schemes had been submitted. The Board had 320 miles of main transmission lines on order. The first supply under one of the Board's schemes had commenced in December, 1946, in Orkney, but a revenue account had had to be commenced earlier than that when Kirkwall and Rothesay Town Council undertakings were acquired in May of the same year. Several more undertakings were transferred to the Board in 1947. Tariffs were first published in

<sup>12</sup>It has been said on several occasions (for instance in an article by G. D. Banks on "Hydro-Electric Development in the Highlands," *Scottish Geographical Magazine*, Vol. 66, No. 2 (1950), p. 65) that the Bill passed both Houses without a division. In fact, two amendments were pressed to a division in the Commons at the Committee stage.

1946 and exhibitions of electrical appliances, cookery demonstrations and electric sheep-shearing demonstrations were started in the following years. All these advances were but slightly tempered by reference to shortages of materials and rising costs in the reports of the Board.

*Effect of the Electricity Act, 1947*

The year 1948 saw the first two of the Board's hydro-electric schemes in operation, small projects at Morar and Lochalsh. Even this event, however, was overshadowed by the effect of vesting day under the Electricity Act, 1947. Under the terms of this Act the Board acquired all the independent undertakings within its area—seven local authority undertakings (including the large undertakings at Aberdeen, Dundee and Perth), nine company undertakings (including the Grampian), and one holding company (the Scottish Power Company).<sup>13</sup> The Board thus became responsible for all generation, transmission and distribution in the North of Scotland area. This already marked it off from the new Area Boards in the south, which were responsible only for the distribution of power generated and transmitted by the British Electricity Authority. Nor was the North of Scotland Board subjected to the B.E.A.'s general or financial controls. For most purposes the arrangements between the Board and the C.E.B. still stood, with B.E.A. written for C.E.B. The Electricity Commissioners, however, disappeared under the 1947 Act, and although most of their functions in relation to the Board were now to be performed by the Secretary of State, the B.E.A. acquired the right to give technical approval to construction schemes subject to appeal to the Secretary of State, and it also became responsible for initiating negotiations with the trade unions about terms and conditions of service for the whole of Great Britain.

The numbers of the Board could be increased under the new Act from five to nine, and the arrangement whereby the C.E.B. had sent a representative to sit on the Board was replaced by the inclusion of the chairman of the Board as a member of the B.E.A.

The only change in the composition of the Board since 1944 had been the replacement in 1946 of the Earl of Airlie as chairman by Mr. Tom Johnston, who did not stand for Parliament in the 1945 election on the grounds that he wished to devote himself to the development of Scotland, and thought he could achieve more in this direction as a private individual.<sup>14</sup> Under the new Act Sir Duncan Watson left the Board, and three new members were appointed.

The undertakings acquired under the 1947 Act immediately made the Board into a large-scale supplier of electricity. Up to that time its *trading* operations had been on a small scale. In 1947 its total sales of current, appliances and services had been little over £100,000. In 1948 they comfortably exceeded £2,000,000. The nationalisation of electricity in the North

<sup>13</sup>Small non-statutory undertakings continued to be acquired under the 1943 Act.

<sup>14</sup>"For my part I insisted on going out, although offered entry to another House, first by Mr. Churchill, and later by Mr. Attlee. But I had served twenty of the best years of my life trailing down to London town, and I had long ago made up my mind that what energies were left to me would be used in my own country." *Memories*, Rt. Hon. Thomas Johnston, Collins, 1952, p. 168. This was an unusual resolution for a relatively young and popular politician with an extremely good record.

of Scotland did not, however, involve the amalgamation of hundreds of previously independent concerns, as did the nationalisation of coal and of electricity in the rest of Great Britain; sixteen supply undertakings were acquired under the Act. Nor was it necessary to set up a new central body to take over the acquired undertakings, as in nearly every other instance of nationalisation. The Board was already an established institution, and was admirably fitted to absorb the other concerns within its territory.

In October, 1950, the Loch Sloy station was opened, and considerable stations at Clunie, Pitlochry and Grudie Bridge also commenced supply during that year. The hydro-electric capacity of the Board thus far surpassed the capacity of the steam stations it had acquired. Further increases came in 1951 and 1952, though not by any means so large as might have been expected without government restrictions on development. In 1946 the Board had looked forward to the employment of ten or fifteen thousand men on construction. In fact, the peak figure so far has been little over six thousand. By the end of 1952 distribution schemes had brought supplies to over half the number of potential consumers when the Board took over. These 96,000 new consumers totalled just over half of the 187,000 consumers already receiving supplies in the area of the Board at 1st April, 1948.

Construction costs continued to rise, and in January, 1952, the Government introduced a Bill to increase the borrowing powers of the Board from £100 million to £200 million. This Bill provoked an unexpected volume of debate, by no means all of which can be attributed to the tactics of opposition in a closely-divided House; for the main critic of the Board, Mr. Nabarro, is a Conservative. Many of the arguments and much of the information used in these debates provide the material for an assessment of the Board's work up to that time, and we will, therefore, return to it in a later section.

The Bill was given its third reading, without a division, on 20th March, 1952.<sup>15</sup> Later in the same year there were rumours that the Government was preparing a Bill to bring together the North of Scotland Board and the two Area Boards of the B.E.A. in the Lowlands into one undertaking. In July "a deputation of Scottish Unionist M.P.s saw the Secretary of State for Scotland, Mr. James Stuart, and were told 'that next session there was a definite prospect of a Scottish Electricity Bill to enact the Unionist policy of amalgamating all the present Scottish Electricity Boards under one authority for the whole of Scotland.'"<sup>16</sup> The comment of the Chairman of the Board, Mr. Johnston, was that although there was need for co-operation, particularly on surplus supplies from the North, "great care must be taken to ensure that the dominant coal and population interests in the south are not given majority rights to suffocate and frustrate the water-power developments in the north" since the Board was "a powerful agency for the economic and social rehabilitation of vast areas and scattered populations north of the Forth."<sup>17</sup>

<sup>15</sup>Amendments to reduce the new borrowing powers from £100 million to £10 million and £50 million were withdrawn at the Committee and Report stage.

<sup>16</sup>Quoted from a leading article in the *Inverness Courier*, 1st August, 1952, entitled "The Highlands in Peril."

<sup>17</sup>Lecture on "Hydro Power and the Future of the Highlands" delivered at the Mitchell Library, Glasgow, 7th October, 1952. Elsewhere Mr. Johnston stated that "his earnest counsel would be that the Hydro Board should have separate existence for at least ten years." (*Dundee Courier*, 1st November, 1952.)

## THE NORTH OF SCOTLAND HYDRO-ELECTRIC BOARD

### *The Organisation*

In describing the organisation of the Board it is right both logically and historically to start with the Board itself and its headquarters, for it is of considerable significance that in 1944 there was no vesting day, no transfer of undertakings, no need to fit a number of previously independent undertakings into a new administrative structure. The new Board was set up to supplement the existing undertakings, not to replace them, or to control them. Until well into its second year the new organisation was little more than a headquarters planning staff.

*Composition of the Board.*—The Board has now its full complement of nine members. Mr. Johnston is still the Chairman. He is one of the most famous of Scotland's public figures, having represented Scottish constituencies in Parliament from 1922-31 and again from 1935-45. He was a Parliamentary Secretary in 1929-31, and then held the office of Lord Privy Seal for the last few months of the second Labour Government. In 1941 he returned to office as Secretary of State for Scotland in the war-time Coalition Government. He is also Chairman of the Scottish Tourist Board.

Sir Hugh Mackenzie, a member of the original Board, and Mr. E. S. Harrison are company directors who have both been prominent in local government. Sir Hugh is an ex-Lord Provost of Inverness, and Mr. Harrison an ex-Provost of Elgin. Mr. G. T. McGlashan has been Provost of Auchtermarder and is at present Convener of Perthshire County Council. Sir John Erskine is a banker who has taken an active part in Scottish public affairs, in social services, university education, and commercial and financial institutions. Mr. Neil Beaton, the second remaining member of the original Board, was formerly director of the Scottish Co-operative Wholesale Society. Mr. G. R. McIntosh is ex-Treasurer of Aberdeen, and a former trade union official. Mr. William Leonard was a Labour M.P. and is a former President of the Scottish T.U.C. Mr. A. I. Mackenzie is a partner in a Glasgow firm of accountants.

The members of the Board all hold part-time appointments. During the first years of the Board's existence Sir Edward MacColl was both its Deputy Chairman and its Chief Executive Officer. In 1948, Mr. T. Lawrie, until then Secretary to the Board, was appointed to the new post of General Manager. On the death of Sir Edward MacColl in June, 1951, Mr. Lawrie, as General Manager, took over his work as Chief Executive Officer, and Sir Hugh Mackenzie became Deputy Chairman of the Board, but remained a part-time member. As part-timers the members of the Board have no departmental responsibilities.

*Chief Officers.*—The chief officers of the Board, responsible to it through the General Manager, are the Secretary and Commercial Engineer, the Chief Electrical and Mechanical Engineer, the Chief Hydraulic and Civil Engineer, and the Chief Accountant. Other principal officers are the Deputy Secretary, the Chief Wayleaves Officer, and the Information Officer. A Labour Relations Officer is responsible to the Deputy Secretary. Almost all these offices have existed since the Board's first year.

It was only with transfer of undertakings on 1st April, 1948, under the Act of 1947, that the Board became a considerable undertaking in terms of

numbers employed. By that time it had had several years in which to settle down to its work. Its members were well-known public figures in Scottish affairs. Its chief officers had mostly had experience in existing electricity undertakings in Scotland. Accordingly the Board was no new institution, and its members and staff no strangers, to those who worked in the transferred concerns.

This situation was in strong contrast to the arrangements which followed the nationalisation of the electricity supply industry elsewhere in Britain, or the nationalisation of the coal, gas and transport industries. It may be argued that a considerable part of the members and staff of the British Electricity Authority was provided by the C.E.B. and the Electricity Commissioners; but the Area Boards were entirely new institutions, as were all but one of the Area Gas Boards,<sup>18</sup> the National and Divisional Coal Boards, the Transport Commission and most of the Transport Executives.<sup>19</sup> In consequence the electricity industry in the North of Scotland did not, as a result of nationalisation, have to digest a number of new men brought in from outside, nor a large number of newly-created senior posts, with the resultant upheaval of rapid promotions, numerous transfers (and sad disappointments) throughout the industry. The industry did not have the double strain of learning new tasks and getting to know new men and new "bosses" at the same time.

*Areas of Administration.*—The Board, however, felt it necessary to find new arrangements to provide for the easy administration of the acquired concerns. Accordingly it divided its territory in fourteen areas. This was achieved mainly by following the boundaries of the old undertakings. Partly owing to the historical interests of Sir Edward MacColl, the Board did not designate its areas by numbers, but sought out suitable local names. The list of areas thus reads like the chapters of a guide book and includes: Cowal, Dalriada, Lochaber, Lorne and the Isles, North Caledonia, South Caledonia, Orkney, Shetland, and Skye and Lochalsh—"names to stir the blood."

The policy of the Board was to cause as little disturbance as possible by these changes. The three large municipal electricity departments which it took over, Aberdeen, Dundee and Perth, were left undisturbed, but with the new title of "Area." The division of the Grampian Company was made as easy as possible by the use of existing internal administrative boundaries; whereas the care taken by the Board to avoid upset by amalgamation may be illustrated by its arrangements in the Cowal and Bute area.

Rothsay Town Council undertaking had been voluntarily acquired in May, 1946, under the Act of 1943. Later in the same year the Board also acquired the Isle of Arran Electric Light and Power Company, extended its Brodick Generating Station, and began work on a distribution scheme for the whole island. In the same year work was begun on a distribution scheme for "Bute, South Cowal and Cumbræ," to be supplied from Rothsay. Under the Act of 1947 the Dunoon and District Electricity Supply Company was compulsorily taken over, and the Board decided to bring all these undertakings together into one area. The engineer at Rothsay was the Board's choice as Area Manager. Rothsay, however, not being on the mainland, was

<sup>18</sup>The North Thames Gas Board consists of the old London Gas Light and Coke Company with the addition of a few relatively small independent undertakings.

<sup>19</sup>The London Transport Executive (London Passenger Transport Board) is the main exception here.



considered less suitable as Area Headquarters than Dunoon. Nevertheless the Board decided to make Rothesay their Area Office rather than start the disturbance of a general post, and the Dunoon engineer became Deputy Area Manager. Later the Area Manager left for a post abroad, his Deputy succeeded him, and only then were Area Headquarters transferred to Dunoon.

*The Area Managers.*—The Area Managers are responsible to the General Manager, with the usual arrangement that there should be direct contact between themselves or their officers and the chief officers of the Board on technical and departmental matters. In this relatively small organisation formal communications and channels are generally supplemented by informal contacts and personal friendship.

Because of the large territory covered by the Board, and the diversity of its Areas, there has appeared to be little need for formal horizontal contacts between Areas. Adjoining Areas naturally keep in touch. The only general meeting is an annual sales conference.

Area organisation varies to suit the circumstances. In some Areas the Manager is assisted by a Power Station Superintendent, a Distribution Manager, a Commercial Officer and an Accountant. In Areas which include several hydro-electrical stations connected to the Highland Grid, they are grouped under a Generation Engineer.

Area managers are encouraged to plan developments, and extensions (sometimes with the assistance of consulting engineers). Proposals for capital expenditure have to be approved by the Board, and proposals to engage additional staff require the consent of Head Office. No general central purchasing scheme has been imposed, and every encouragement is given to buy locally.

No formal establishment system has been adopted by the Board, either for headquarters or for the Areas, on the grounds that formal organisation charts tend to fix the level of staffing too high, to create vested interests, and to give rise to an obligation to fill vacant posts, whether or not there is work to be done. Once authorisation is received the Area can proceed to appoint or engage. Senior appointments are advertised first internally and then externally, and the Area is limited only by the nationally agreed salary and grading system.

Although the Board has an Information Department, Area Managers are free to give information as they wish to the press.

These formal provisions are not, of course, the whole story. The Board and its officers are proud of the local autonomy granted to the Areas. Long distances, meagre communications, the inclusion of many islands in its territory, and the likelihood of gales, snow and ice, would in any case have made it necessary for the Board to draw its Area boundaries to suit convenient communication within the Areas, and not between Areas and headquarters. These physical factors are a powerful support to the Board's decentralising intentions.

A better picture of the actual relations between the Board and its Areas may be given by a description of its dealings with a single Area; and for this purpose we may single out one of the largest Areas in terms of numbers

employed or volume of consumption which is also amongst the smallest in size.<sup>20</sup>

Nationalisation brought few changes in personnel to this undertaking. As far as administrative staff is concerned, the City Electrical Engineer became the Area Manager; the District Engineer and Commercial Officer were the old Distribution Engineer and Consumer Superintendent; and the Generation Engineer, Chief Technical Engineer and Constructional Engineer remained with unchanged functions and titles. The only important change was the creation of the new office of Area Accountant, to which a member of the headquarters staff of the Board was appointed. This new post reflected the major immediate change resulting from nationalisation—the transfer to the new Area of the meter reading, billing of consumers, collection of accounts and so on, which had previously been performed by the Town Hall staff.

The Area makes the standard returns to headquarters. Instructions or circulars from the Board are rare, and contact is maintained in other ways. The Area Manager is also a member of the Board's sub-committee on tariffs. Other occasions present themselves for meetings with the staff of other Areas. The District Engineer, for instance, was for a period Chairman of the North of Scotland Sub-Centre of the Institute of Electrical Engineers, and thus met many of his colleagues, in a different capacity, at its meetings.

The Technical Engineer not only deals with the testing of equipment and any other laboratory work needed in the Area, but also undertakes some development work for the Board.

When working for the Corporation as City Electrical Engineer, the Area Manager had to obtain approval from the Electricity Committee for expenditure of sums over £50. His present limitation constitutes a considerable increase in authority, despite inflation. Where headquarters' authority is necessary, the Area Officers state that the Board requires the same information as was previously required by the Electricity Commissioners in London who, before nationalisation, had the task of approving new projects. All specifications are issued in the Area, all tenders are screened there, and the Board has not yet refused to give its approval to a recommendation of the Area.

From the standpoint of the staff of the Area nationalisation has brought two advantages. First of all they no longer have to argue their proposals, or even plead, with a committee of laymen, most of whom had not, in their opinion, the knowledge or experience to understand the issues involved. The second, and more important, advantage is that the boundaries of the Area have been rationalised.

The Board's major hydro-electric stations—Sloy and the group consisting of Tummel Bridge and Rannoch (taken over with the Grampian Company) and Pitlochry and Clunie—are not included in the Area organisation. Their main task is to serve, not a particular Area, but the whole territory of the Board, and also to provide power for export to the B.E.A. Indeed, Sloy is designed as a "peak load" station to supply power to the Glasgow district and thus avoid "load-shedding" there.

<sup>20</sup>In 1951 the Area employed a staff of 505 and served over 56,000 consumers.

The dimensions of this Area may be compared with those of the South Caledonia Area, which covers 5,000 square miles and has a population of 220,000, about 46,000 consumers, and a staff of about 350.

The Generation Engineers of Sloy, and of the Tummel-Garry group, report to the Chief Electrical Engineer at headquarters. For generation control they meet the requirements of the Control Engineer, who is stationed at Tummel-Garry. He deals with the B.E.A.'s Controller in Glasgow, and directs the stations to meet the latter's requirements (within the total "export" figure arranged each year between the two Boards). The personnel establishments for the stations are arranged between the Superintendents, the Chief Electrical Engineer, and the General Manager, by whom appointments are approved. On matters of wage-payment, requisition and stocking of stores there is co-operation between the Superintendent and the Manager of the Area in which his station is situated.

A further example of administrative continuity can be given from the power station organisation of the Board. Before nationalisation the Superintendent of the Tummel Valley stations worked for the Grampian Company and already held the post of Superintendent of Tummel Bridge and Rannoch stations. Since nationalisation, as Superintendent of the group, he is responsible to the Chief Electrical Engineer, who came over at the same time from the Grampian, where his post had been Chief Engineer.

Besides the research work carried on at Dundee, the Board has sought the co-operation of outside academic bodies. Investigation in the design of dams and other hydraulic problems, for instance, has been going on for some years at Aberdeen University, Glasgow Royal Technical College and University College, Dundee. Other projects have been carried out for the Board at Edinburgh University and at the Imperial College of Science and Technology in London.

### *The Consumer*

The 1947 Act required the Secretary of State to set up a Consumers' Consultative Council for the North of Scotland parallel to the fourteen Councils to be set up by the Minister of Fuel and Power for the Southern Area Boards. The members of the Council were appointed in July, 1948, and held their first meeting in September. Its Chairman, Mr. McGlashan, is *ex officio* a member of the Board and, like most of the other members of the Council, is a member of a local authority. Scottish industries and agriculture, however, are also represented, as are trade unions, Co-operatives and the Scottish Women's Rural Institute.

Under the Act the Council had the duty of working out a scheme of local representation. The scheme they chose, which received approval, provided that County Councils and the Town Councils of Aberdeen, Arbroath, Dundee, Inverness and Perth should act as Local Representatives. In some cases the whole of the Council has undertaken the task; in others a special committee has been set up, or an existing committee performs this added function. Invariably the Town or County Clerk acts as the channel between them and the Secretary of the Consultative Council.<sup>21</sup>

<sup>21</sup>This arrangement anticipated a number of suggestions for general reform of consumers' councils by linking them with the local authorities. See, for instance, "The Voice of the Consumer," J. A. G. Griffith, *Political Quarterly*, Vol. XXI, No. 2, *Nationalisation and the Consumer*, Freedman and Hemingway, Fabian Research Series, No. 139, 1950, and *Relations with the Public*, Acton Society Trust Nationalisation Pamphlets, No. 12.

Like Consultative Councils in the south the Council has taken up individual consumers' complaints submitted to it, and enquired into a number of general matters of interest to consumers—tariffs, supplies to potential consumers, guarantees and so on. Like them, too, it has usually come to the conclusion that the Board is doing all it can to provide adequate and cheap supplies. There is little evidence on which to judge the Council's performance or to compare it in greater detail with that of its fellows. Unlike them, however, the North of Scotland Board has an additional interest in following and assisting the Board's work for general development of the Highland, for the beneficiaries are the consumers or potential consumers which it represents.

Peculiar to the North of Scotland Board are its Amenity and Fisheries Committees (also appointed by the Secretary of State) which date back to the 1943 Act. These committees are small. Each has five members, against the twenty of the Consultative Council. Their function may also be contrasted with that of the Council. One of the difficulties of a Consumers' Council is that the interests it represents are vast and vague. Consumers defy adequate representation by their anonymity and dispersion. They are interested in low tariffs and good service, but also in the expenditure of capital to reduce costs, and in any other aid to efficiency. In fact, the consumer is interested in the whole range of a public corporation's work, and the proper functions of a Consumers' Council are accordingly difficult to define. Those with a concern for the beauty of the Highlands do not perhaps form a compact group, but their interest in the Board's work is confined to the location and design of its undertakings. The representation of the fisheries' interest is perhaps even more straightforward.<sup>22</sup> Neither committee has failed to voice objections against some of the Board's projects.

That hydro-electric stations spoil some of the most picturesque scenery in the world is a recurrent charge, and one which will never be settled to everyone's satisfaction. Describing the almost completed Glen Affric scheme in 1951, a broadcaster said "some of the old beauty has undoubtedly vanished. The river Affric is, I believe, two miles shorter than it was, and although compensation water will flow from the dam down the glen . . . there will obviously be less water than there used to be. On the other hand, a considerable new beauty has come in its place. With a crest not more than 600 feet long and a base that goes ten feet down into the sound rock, the Beneveen dam slopes down into Glen Affric like the side of a great church bell. Moreover, instead of the missing two miles of river, there are now two miles of loch, and the engineers, by raising the loch's water level, have given it a present—a present of some new and ready-made islands, complete with birches and Scots fir, or heather and bracken."<sup>23</sup>

#### *Relations with the British Electricity Authority*

The Act of 1943 gave to the Secretary of State authority over the Board in certain financial matters, in the approval of the schemes which it was the

<sup>22</sup>In a paper "The Schemes of the North of Scotland Hydro-Electric Board," read to the Royal Institute of Chartered Surveyors (*Transactions*, Vol. LXXXV, Part III), Mr. Lawrie gives an interesting account of the relationship between these schemes and salmon fisheries.

<sup>23</sup>"Power From the Glens," David Keir, *The Listener*, 5th July, 1951.

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Board's duty to prepare, and in the appointment and dismissal of members, and the determination of their salaries and conditions of employment. All the post-war nationalisation Acts, however, have granted the appropriate Minister the right to issue "directions of a general character" to the Board concerned. Accordingly the 1947 Act, besides giving the Minister of Fuel and Power the right to issue directions to the new British Electricity Authority, granted to the Secretary of State the same power over the North of Scotland Board, thus emphasising the latter's independence of the B.E.A. The power has not been used, and the Board's relations with the Secretary of State are mainly informal and unrecorded. The most obvious contact between the Board and the Government is the annual limitation of its capital expenditure by the Government's general programme. Besides this, however, the student of the Board's Annual Reports cannot help noticing that, since 1948, these have ceased to be printed in large bold type with stiff covers, and no longer contain the excellent photographs and coloured maps which previously illustrated the Board's schemes and their development. Instead, the Reports now appear in the standard paper-covered H.M.S.O. quarto format adopted by all the other nationalised industries. It seems unlikely that this change was made of the Board's own volition.

The B.E.A. has no power to issue directions to the North of Scotland Board as it may to the Area Boards in the South. In general the relations between the two Boards, despite the great disparity in size, are relations of equality. The main links between the Board and the B.E.A. are its Chairman's *ex officio* membership of that body, the Joint Technical Committee (consisting of three senior officers from each Board), and the daily contacts between the Board's Control Engineer and the B.E.A.'s Controller in Glasgow.

In two respects, however, the B.E.A. has authority over the Board. Under the 1947 Act the right to give technical approval to the Board's construction schemes before submission to the Secretary of State has passed from the old Electricity Commissioners to the B.E.A. In labour matters the B.E.A. conducts national negotiations with the unions, and the Board has, therefore, to observe the national wage-rates and salaries, grades and conditions settled in these negotiations. The Board is, of course, represented on the national joint bodies which deal with the various groups of workers—manual, administrative and clerical, technical and managerial—and has its own district councils and local works or staff committees, which deal with the regional or local application of national agreements. In this respect it is on a par with the Area Boards elsewhere, who have parallel councils and committees with similar functions.

The Board also takes part in the National Joint Advisory Council in which the B.E.A. consults with the unions on matters of health, safety, welfare, efficiency, education and training, and has set up a District Advisory Council and Local Advisory Committees in accordance with a nationally-agreed scheme. The officers of the Board are proud of the long tradition of good labour relations in the electricity undertakings of the North of Scotland, and some of them felt that there was no need for the interposition of these new bodies. Part of the explanation for this view is probably that all the Board's undertakings are relatively small, and personal contacts can provide most of the advantages that formal consultative arrangements are designed to give.

The price of the Board's exports to the B.E.A. is fixed under a clause of the 1943 Act which lays down that, unless otherwise agreed, it shall be "a sum equal to the cost of production in that year of a like supply of electricity at the steam generating station . . . which in respect of its cost of production as ascertained and adjusted . . . by reference to the cost and calorific value of coal consumed at steam generating stations in the area of the Central Scotland Electricity Scheme, 1927, . . . is the most economical station so operated."

When supplies from post-war hydro-electric stations became available there was room for disagreement between the two Boards over the interpretation of this clause. The B.E.A. at first took the view that the most economical station was a pre-war station, with capital charges far below those of post-war construction. The Board held that the Loch Sloy station could only be compared with a steam station constructed after the war, for if it had been built before 1939 its capital charges would have been about one-third of what they now are. In the end the difference was amicably resolved.

In the autumn of 1950, however, there was a dispute over the terms of supply from Loch Sloy. At that time (October, 1950) the Board supplied 300,000 kilowatt hours a week to the B.E.A. This supply was taken at a steady rate over twenty-five hours a week—five hours a day for five days. The Board felt that more load-shedding could be avoided, and the Loch Sloy station could be far more efficiently run, if the whole weekly supply was drawn at a higher hourly rate over the ten hours of peak demand. The B.E.A. would not agree to this proposal and on Monday, 30th October, there were heavy cuts in Glasgow. It was widely thought that the Board had withheld supplies. In fact it had delivered the quota demanded by the B.E.A. for that day. The B.E.A. later issued a statement<sup>24</sup> saying that it did not like an arrangement under which its reserves from Loch Sloy would be exhausted in ten hours, but "as these are the only conditions under which the Scottish Board will offer the supply" it would accept the Board's terms. On Monday, 13th November, almost all the week's supply was used up in one day and load-shedding averted. The comment of the *Economist* was that the B.E.A. "seems to have preferred that Loch Sloy should run far below capacity throughout the week even though that meant the minimum of assistance at peak hours."<sup>25</sup>

#### *The Board's Achievements*

Although this article is concerned mainly with the organisation of the North of Scotland Board, some attention must be given to its general economic and social achievement, by which it will primarily be judged. The two main questions to be considered are: how far the Board has contributed to the rehabilitation of the Highlands; and whether or not the development of hydro-electric generation in Scotland has been of advantage to Britain. In 1952 both these questions were debated at some length by the Commons during the various stages of the Hydro-Electric Development (Scotland) Bill.<sup>26</sup>

<sup>24</sup>*The Times*, 13th November, 1950.

<sup>25</sup>*Economist*, 18th November, 1950.

<sup>26</sup>Second Reading, 29th January, 1952, House of Commons Cols. 64-110. Scottish Standing Committee, 21st February, 1952, 26th February, 1952. Report Stage, 19th March, 1952, House of Commons Cols. 2448-2496.



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The success of the Board in fulfilling its statutory obligation to assist in "the social and economic improvement of the North of Scotland" was questioned both on the grounds that its services to consumers were inadequate, and because there had been little industrial development in the Highlands.

Sir Edward MacColl was quoted as having said in 1945 that by 1949 about 90 per cent. of the population of the islands would have electricity.<sup>27</sup> Since then, however, the 1947 Act had added 100,000 potential consumers, and the efforts of the Board had been spread perforce over a wider area. In 1945, moreover, no one could have foreseen the persistent shortage of materials which would hamper the Board. For certain new supplies the Board charged a contribution to the cost of connection, but, the Board explained, the cost was frequently high, and had to be covered by some means; and the charge was no more than a contribution, not the full cost. The export of surplus power to the B.E.A. was not robbing the Highlands, but an essential part of the Cooper Committee's scheme, endorsed by the 1943 Act, of providing electrical development in the Highlands at a reasonable cost.

The charge that industrial development had been disappointing was not so easily met. Despite the efforts of the Board, and of other authorities,<sup>28</sup> the depopulation of the Highlands had not been stopped, and the expectations of the Cooper Committee concerning the development of large electrified industries based on water-power had not been fulfilled. Many people had expected the Board to become a kind of Tennessee Valley Authority for the North of Scotland; and it had not done so. The Board has two replies. First of all it has done something; and, secondly, it is not allowed to do more. It has created a new Clydebank industry, the manufacture of hydro-electric machinery, which not only serves the Board, but also a thriving export market. It has helped the farmer and crofter in many ways. In 1947 one Highland farm in fourteen, and one croft in 100 were connected to the mains. In 1952 the proportion was, in each case, one in six.<sup>29</sup> Experiments in the electric drying of hay, calculated to reduce the losses in certain protein values on the standing crop from an average of over 40 per cent. to an average of under 20 per cent.,<sup>30</sup> had been successful. The amenities of the hotels catering for the second largest industry in the Highlands, the tourist trade, have been improved, and costs reduced, by electrification. The roads built by the Board are of service to all other industries, and the use of Scottish stone in the Boards' buildings—in some instances at a lower cost than if brick and reinforced concrete had been used—has revived a dying industry.<sup>31</sup> Finally, the Board has for some years been building an oil-fired gas turbine at Dundee. In December, 1951, an experimental gas turbine ran successfully on powdered peat, but the problem of drying the large quantities of peat required for continuous operation has yet to be solved. Its solution would provide an important new industry for the Highlands.

<sup>27</sup>House of Commons 29th January, 1952, Col. 79.

<sup>28</sup>The Board is not the only authority with responsibilities for development in the Highlands, and the Hill Farming Act, 1946, and the Agriculture (Scotland) Act, 1948, have made further provisions for aid to Scottish agriculture.

<sup>29</sup>Lecture by the Rt. Hon. Thomas Johnston on "Hydro Power and the Future of the Highlands" delivered at the Mitchell Library, Glasgow, 7th October, 1952.

<sup>30</sup>Annual Report, 1952.

<sup>31</sup>Annual Report, 1951.

The second half of the Board's reply is that they are not provided with funds to subsidise other industries. The 1943 Act laid down that "the Board shall, so far as their powers and duties permit, collaborate in the carrying out of any measures for the economic development and social improvement of the North of Scotland District or any part thereof." One of the duties of the Board, however, is that "over a term of years" its revenues must meet expenditure properly chargeable to revenue. Any losses borne by the Board in one direction must be met out of income from others. This restriction is of particular importance because the Board's charges are framed to cover post-war hydro-electric construction costs. In other countries, for instance Norway, manufacturers still have the advantage of electricity tariffs based on the original cost of undertakings built before the war. If Scottish development had not been delayed by opposing interests it would now be able to offer similar advantages to industry, particularly the industries discussed by the Cooper Committee Report. Such an advantage could now be given only through a subsidy, and if this is the proper means of ensuring the rehabilitation of the Highlands it can be adopted only by the Government, and not by the Board. In making a comparison with the T.V.A. it must be remembered that the T.V.A. also had the advantage of pre-war construction costs, as well as the immense water-power resources of the Tennessee Valley, much capital free of interest charges, and the great opportunities which faced a New Deal agency starting work in that potentially rich but desperately stricken area in 1933.

The steeply-rising costs of hydro-electric development (which had created the need for the Bill) were questioned by several members. Construction costs had risen more than twofold since 1944, and the Board estimated the increase as between three and four times comparable pre-war costs. These figures, however, were not out of line with other construction costs, in particular of erecting steam generating stations. The Board claimed that it was constantly seeking economies which would reduce the effects of inflation. The critics who argued that the Board was being given immense borrowing powers at a time when the Government's policy was to cut capital expenditure were wide of the mark; for the Government controls the investment of the public corporation year by year without reference to their borrowing powers, which are meant to provide for their long-term needs. If the House felt that it had insufficient check on the Government in this respect, the shortcoming had no special reference to the investment programme of the North of Scotland Board. Each scheme, moreover, had to obtain approval and confirmation. In 1945, for instance, the Amenities and Fisheries Committees recommended that parts of the Tummel-Garry scheme should be omitted. After this a number of public bodies in Scotland lodged objections. A public enquiry was held in Edinburgh before three Commissioners who found in favour of the scheme. Consequently it was laid before Parliament, and in the Commons a Prayer was presented for its amendment, but defeated.<sup>32</sup> Admittedly the objections were not in this case financial, but the controls are to hand, and may be used.

A more subtle criticism of the cost of the hydro-electric schemes came from Mr. Nabarro, who spoke on several occasions, and at considerable length.

<sup>32</sup>Annual Report, 1945.

His criticisms amounted to saying that, in fact, hydro-electric generation is more expensive than steam generation. The Board has estimated that in terms of 1952 construction costs hydro-electric generation is about 15 per cent. cheaper than steam, although the greater transmission and distribution costs in the North of Scotland make the final charges to the Board's dispersed consumers about the same as to other consumers in Great Britain. The components of the cost of hydro-electric and steam generation are, however, very different. Hydro-electric generation carries almost no fuel charges and is more economical of labour than steam generation. Its most heavy charges are its capital costs—interest payments and depreciation. Depreciating for wear and tear, the most costly elements in hydro-electric construction, the dams, are written off by the Board over a period of 80 years<sup>33</sup> against the 35 years allowed for steam generating plant. If we suppose that both methods of generation may be rendered obsolete by new developments—perhaps of atomic power—the advantage to hydro-electric generation is reduced. This was part of Mr. Nabarro's point. His other contention was that the needs of the country were so great that we could not afford to build initially more expensive plant on the grounds that it would last longer. In other words he was arguing that in view of the national need the rate of interest—the rate on which the future is discounted—was far too low. Every increase in the rate of interest naturally raises the costs of new hydro-electric construction in relation to new steam construction, and Mr. Nabarro presumably thought that the situation demanded an increase sufficient to give the advantage to steam. Although the argument cannot be settled here, Mr. Nabarro's contention cannot be as lightly disregarded as some of the figures which he produced in the House to support it. It must also be noted, however, that if his case was substantiated, it is not the Board which would be at fault, but the Parliament which charged it with the duty of developing Scotland's water-power resources, and the Governments and Parliaments which have approved each stage of the programme which the Board has drawn up in order to fulfil its duty. Besides this, if new criteria of this kind are used to judge the relative advantages of different sources of fuel and power, they must not be applied only to a comparison of hydro-electric and steam generation. Other sources would have to be considered, and the conclusion of the investigation might be that money would be more wisely used in construction of gasworks than power stations; or perhaps in the promotion of fuel economy and the subsidising of fuel-saving equipment than in any form of new construction.

#### *Some Comparisons*

Before making comparisons with other nationalised undertakings, it must be made clear that the Board is necessarily different from them. With its 2,000 odd employees it is a pigmy compared with the National Coal Board (750,000) and the Railway Executive (600,000). It is small compared even with most Area Electricity and Gas Boards. Besides this, its region is more scattered and thinly populated than that of any of these Boards. The

<sup>33</sup>The lives of other assets are estimated by the Board at various shorter periods; e.g., transmission lines 25 years; buildings 30 years; water turbines, generators and pipelines 35 years.

Railway Executive and the Scottish Gas Board also cover the North of Scotland; but they do not attempt to supply the needs of the many small isolated communities which are already served or will eventually be served by the Hydro-Electric Board. Accordingly, on the one hand, the Board has no need to develop administrative procedures necessary in an organisation employing tens or hundreds of thousands of workers; and, on the other, the physical conditions of its region have favoured local autonomy and diversity (which may be equally desirable, but are not so easily attained in more closely-knit undertakings and more populous regions with better communications). These considerations must qualify the comparisons presented below, but, in our opinion, they do not destroy their value.

The first comparison is between the North of Scotland Board and the electricity industry in the rest of Britain. The North of Scotland Board controls all generation, transmission and distribution within its territory. In the south the Area Boards deal with distribution alone; transmission and generation are vested in and directly controlled by the British Electricity Authority. At the time of the 1947 Act it seemed only reasonable, perhaps, to leave the Area Boards to deal with distribution alone, since this was the field in which further rationalisation was most required; and, since the Central Electricity Board must needs control the national grid, and, therefore, the power stations feeding the grid, to vest transmission and generation in it. The result has been, however, to create throughout the industry local agencies directly administered from London, parallel to the Area administration. The grip of a powerful centralising body has thus been strengthened, the need for standardised practices increased, and friction and jealousy has been made possible. (For instance, the Secretaries of the Area Boards and the B.E.A. Divisions are on different salary scales.) Before nationalisation the arrangement was that the Central Electricity Board maintained, through the grid, technical control over the power stations, which were nevertheless administered by the companies or local authorities to which they happened to belong, and this seemed to work effectively and smoothly. It could clearly have been retained under nationalisation by vesting generation as well as distribution in the Area Boards, and leaving the powers of the Central Electricity Board (and the Electricity Commissioners) much as they were. The North of Scotland Board has shown that it is at least possible for generation and distribution to be successfully administered within a single regional organisation. Admittedly its conditions are very different from those in the south. It owns and controls its own regional transmission system; its power stations are many and small, and often supply but a single district. Nevertheless its success is an additional reason for questioning the form of organisation laid down elsewhere under the Electricity Act, 1947.

The second comparison concerns the composition of the Board. It is the only public corporation composed entirely of part-timers. In other boards at least the Chairman and Deputy-Chairman are full-time appointments, and on the Coal Board and its Divisional Boards, the Transport Commission and most of its Executives, and the British Electricity Authority, full-timers outnumber the part-timers. If it is the function of the Boards to manage the industry, a number of full-time members is essential; but it is at least questionable whether this is the proper function of the national Boards.

National management necessarily involves great centralisation, and whatever may be the exact distinction between "policy" and "detail," clearly full-time Board members, whether or not they have specific departmental responsibilities, are likely to step over the boundary, and concern themselves with detail.<sup>34</sup>

It may also be doubted whether the most competent and qualified men are likely, unless they have an unusual gift of public spirit, to accept the five-year appointments customary for Board members, the more so now that it has become clearly established that appointments are frequently not renewed. A Board composed of men whose main occupation and source of income is outside the industry concerned is likely to be far more widely attractive.

The third comparison concerns the internal organisation of nationalised undertakings. The Board has clearly understood its task as that of a development corporation and a holding company. After vesting day great care was taken to change nothing which could well be left alone, and to make such changes as were required, for instance the drawing of Area boundaries, with the greatest possible regard for existing institutions and local requirements. Headquarters then undertook the provision of services which the Areas could not perform for themselves, with the minimum central controls needed to fulfil the duties laid upon the Board by the 1943 and 1947 Acts. Organisation on these lines was made all the easier because of the existence of the Board for over four years before vesting day. Continuity was possible at the top as well as at the bottom of the new organisation.

In comparing this method of building up an organisation with that adopted by, say, the B.E.A. and the Area Electricity Boards, or the National Coal Board and its Divisional Boards, it is impossible to use quantitative tests. To the observer, however, the difference is real and important. These larger bodies were created by the nationalisation Acts, and therefore did not have the same opportunity to build on existing institutions, but this might have been taken as an additional reason for making use of what was already to hand, and for making such changes as were essential (and it must be remembered that the object of nationalisation was to make changes) with as little disturbance as possible. In fact, the grouping of collieries into Sub-Areas and Areas, and of Areas into Divisions, and the arrangement of electricity districts into Sub-Areas under the Area Boards, seems to have been designed to provide local agencies for the Boards, and not to give a headquarters organisation to serve the needs of local undertakings. The North of Scotland, on the other hand, did not build from the top downwards, but from the bottom upwards. The very names of the Areas may be read as symbols of the Board's regard for continuity and for local requirements.

Scottish patriotism may explain much of the attitude of the North of Scotland Board and its staff. It reinforces their pride in the independence of their undertaking and their opposition to "centralisation" and "Londonisation" (both complaints frequently diagnosed by employees of other nationalised industries in their own organisations); and it increases their

<sup>34</sup>Compare Mr. Lyttelton's defence of the acceptance of private directorships by Lord Reith, Chairman of the Colonial Development Corporation, in answer to a question of Mr. Dugdale (House of Commons, 10th July, 1953, Cols. 209-211), and a *Times* editorial on the same subject ("Full-time Chairmen," 28th May, 1953).

apprehension of the results which might follow from closer connections with the south, still more from amalgamation with the south. Jealousy of independence and resistance to joint action or amalgamation has been one of the main causes of the industrial difficulties which led up to the nationalisation programme of 1945. But it was part of the case of those who framed the 1947 Act that the North of Scotland Board was best left on its own. The exclusion was justified. As a result the Board has been able to build an organisation which not only is well-suited to its region, but also has worthwhile lessons for its bigger but younger relatives in the south, and for those who would reorganise or add to the nationalised industries.



## Committees in Administration

By PROFESSOR W. J. M. MACKENZIE

*In the Winter 1952 Issue Professor Cohen wrote about Committees from the viewpoint of the Social Psychologist. Professor Mackenzie's approach is a mixture of the practical administrator's and the political scientist's.*

COMMITTEES are a characteristically British organ of government, and it is surprising how little is to be found about them in the literature of public administration. The text-books describe the duties and composition of hundreds of committees and say nothing about their operation, and it is therefore refreshing to find in PUBLIC ADMINISTRATION an article such as that by Professor John Cohen on "The Study of Committees and Conferences."\* The present notes were written in reaction against his views, but they owe much to them.

### *Mr. Urwick's and Professor Cohen's Views*

A good deal of work has been done on this topic in the U.S.A., but the only other study of importance yet published in this country is that by Mr. L. Urwick on "Committees in Organisation," reprinted from the *British Management Review* in 1937 (Reviewed in PUBLIC ADMINISTRATION, Vol. XV, p. 453). This is written from a point of view so different that there may be some profit in comparison. Mr. Urwick defines a committee as "a group of persons acting conjointly in a corporate capacity" to which "duties and responsibilities are assigned" within any organisation. That is to say, a committee exists to act, and it acts in a specific capacity assigned to it by some larger organisation. Mr. Urwick's point of view is that of a man who wishes to improve the effectiveness of purposive action by committees acting in a larger context. For him there are "good" committees and "bad" committees: there are right occasions for the use of committees and wrong occasions for the use of committees; and the criterion in these matters is what Professor Cohen calls an external criterion. With this point of view I have much sympathy. There is not much point in developing the special study of administrative organisation, as distinct from other forms of organisation, unless administration has some special quality; administration is a word with many meanings, but it seems very fair to say that it is specially concerned with the effectiveness of organisations in relation to an agreed purpose external to them. This may need argument, but at least it is a good starting-point for a study of committees in administration. But Mr. Urwick extracts very little from it except lists of various kinds: lists of faults in committees, lists of the advantages and disadvantages of committees in relation to lists of administrative functions—initiative, planning, control, organisation, forecasting, co-ordination and all the rest of them. He says many shrewd things by the way, but he certainly does not offer even the framework of an orderly analysis of how committees work.

Professor Cohen gives no definition except that which is implicit in his first sentence:

The study of committees and conferences brings us immediately into the heart of a complex of human problems, each of which is bound up with the rest.

\*See also his more recent article on "Social Thinking," *Acta Psychologica*, Vol. IX (1953), p.146.

That is to say, he proposes to treat committees and conferences together; and he proposes to treat them as part of the field of general sociology and social psychology. I submit that this approach destroys much of the value of his study for those interested in the analysis of administration. In the first place, for the administrator the committee and the conference are not similar but contrasted: the former is there for decision, the latter for talk; both are good in their place, but they have to be handled quite differently. Second, there are the difficulties which arise when the committee is treated as a subspecies of the human group. This treatment is logical, as a piece of scientific classification, but it adjourns indefinitely any chance that the social scientist may be able to help the working administrator. A committee is almost always a complicated thing; its history is complicated, and the attitudes of its members arise from divergent series of complex events. It is therefore a bad subject for fundamental research of a scientific kind, because it is rarely possible to isolate single strands in the tangle or to establish regularities in a way which can be called proof or statistical probability. The study of the group leads away from the study of committees as we know them; it leads either to the comprehensive study of a small group in all its relations, or to the creation in laboratory conditions of very simple situations capable of repetition. Quite a lot of this has been done; more is likely to be done; and it may ultimately be fruitful. But for two reasons it is not immediately helpful in analysing the behaviour of men in committees. One is that its practitioners seldom succeed in separating moral judgments from questions of fact. Professor Cohen is much more adroit than many American writers, for whom "integration" is the *summum bonum*; but does he not write occasionally as if it were naughty for committee members to sit silent, or to mask disagreement in polite words? The second is that this area of fundamental research is an area of fundamental controversies. Possibly there is now some measure of agreement among the various groups of psycho-analysts, social psychologists, sociologists and social anthropologists; but it is not obvious to the layman what it is. Certainly we are not competent to teach this common doctrine to students of public administration ourselves; they will not get it from our colleagues, who are more interested in following their own lines of advance than in stating and re-stating their measure of agreement; and students cannot be expected to find it for themselves.

#### *An Alternative Approach*

These then are Scylla and Charybdis: Mr. Urwick and Professor Cohen. Is it possible to squeeze a way between? I am not certain that it is; but these notes are submitted as an experiment for criticism. Like Cohen's essay, they are based on personal experience and not on planned research; and it is essential to note the limits of this experience. It includes, for instance, the committees of Oxford colleges, faculties and boards of examiners; committees in Whitehall and Washington during the war; the committees of Senate of a provincial university; to a much lesser extent those of an English local authority and an East African territory. It excludes in particular the experience of committees whose main concern is to make money for their

members and their shareholders ; and committees concerned with the attainment of political power. These omissions may be important.

An academic exercise of this sort should begin with a definition, and the easiest definition is an ostensive one. A committee is to the naked eye a number of people sitting round and talking. But this clearly is not enough : a committee must be distinguished from other gatherings which may look the same. I suggest a definition in terms of common purpose, that standard riddle in political theory : a committee is there to take decisions. It has the power and obligation to take decisions, and these decisions are binding on the committee and on some larger body " of which it is the committee," unless they are reversed. " The power and obligation to decide collectively on behalf of others " is a phrase which raises large issues ; it can be followed in one direction into the territory of sociology, in another into the territory of political philosophy. The question posed here is whether we can do anything useful without raising these questions of principle. Can the phrase be used simply to point out a situation or class of situations which we know quite well, though we cannot be sure what the common factor is ? If so, it will serve the present purpose.

One implication of accepting it is that a committee is a body with a constitution ; there are rules governing its composition and procedure, and it is " legitimate " only if it obeys the rules—even though it may have made the rules itself.

The definition given here does not say anything about limits of number, which are generally taken to distinguish a committee from an assembly or Parliament or diplomatic conference. This is because the limit of number seems to me to be secondary rather than primary. A committee is essentially a " round table " gathering. This imposes a limit of number, but it is an imprecise limit like Aristotle's limit on the size of a city. " A city-state cannot be made out of ten citizens, and one which is made out of ten times ten thousand is no longer a state."<sup>1</sup> Suppose we take a number (say twenty-five people) which is rather larger than is normally convenient for a committee. They will nevertheless tend to behave as a committee if they can be arranged as equals at the same table. Far otherwise if they are arranged in rows as if before an old-fashioned schoolmaster ; or if they are divided into two confronted sides, like the House of Commons.

It is perhaps implied incidentally in this definition that two people cannot be a committee : a committee is multilateral, not bilateral. This implication may be too sweeping, because there are circumstances in which two people (even a man and his wife!) can behave like a committee. But it is worth accepting the implication in order to make the subsidiary point that there is a difference between a negotiation or bargain and a committee. Two people usually do not reach agreement except by bargaining ; but if the number is increased even to three the alternatives open in bargaining become so complex that the participants do something which is more than bargaining, and is the characteristic activity of reaching a joint decision.<sup>2</sup>

The definition given refers to the fact that a committee acts in relation to a larger body, but it does not suggest that this relation is one simply of superiority or subordination on either side. To do so would be to leave out most of the complications. The relation of the Cabinet to the majority of the

House of Commons seems puzzling, but is really typical. The Cabinet is both master and servant—so are all committees. It would be more sensible to say that all committees have something in common with the Cabinet than to debate whether the Cabinet can properly be called a committee of the House of Commons. Even when a committee is formally appointed with limited terms of reference and a direction to report back for authority to act, its job is still to reach decisions. It will only advance business if it goes back to the main body saying "These points are clear: accept these, give us directives on the others"; and persuades the main body to accept at least much of what its committee has done. Every committee is in some sense a steering committee: if it lacks power or will or wits to "steer" its proceedings are a waste of time—or rather (to be pedantic) they are not those of a committee in the sense of the definition used here.

This discussion can be summed up provisionally as follows. A committee is a body of people meeting round a table, to take decisions for joint action on behalf of some other (generally larger) body of which it is the committee. Such a definition excludes some bodies usually called committees; this does not matter, so long as it includes most of them and links them together by *differentiae* which are of crucial importance in administration. Obviously there remain ambiguities which would need to be sorted out in a text-book; but this essay is not a text-book, but merely an experiment to see whether there would be any sense in trying to write a text-book.

#### *The Possibilities of Classification*

The next thing to consider is whether it is possible to go on from this starting-point in a systematic way. There are two possible types of analysis: one formal, the other informal. The former has been used by the Editor of this Journal in an important article on "Public Corporations and the Classification of Administrative Bodies" published in the *Journal of Political Studies*. He is there writing mainly in terms of statutory constitutions, powers and duties; this is particularly appropriate in dealing with public corporations, as most of the controversy about them still hinges on the right form of constitution to be given them by Parliament. There is scarcely enough experience yet on which to base a classification based on their informal working arrangements, and it is particularly hard to find out what these arrangements are. It would be possible similarly to classify committees formally by reference to rules governing their composition, terms of reference and rules of procedure. There are various handbooks in which this has partly been done, and it is important to do it because these formal rules are the first thing that the administrator must grasp clearly in dealing with any committee. Without this nothing can be done; it is omitted here only because my object is to ask whether it is possible even to begin to classify committees in less formal terms. It is tempting to try; information is in some sense accessible to all of us because we all sit on committees, so that we know more about their working than about the working of public corporations. It is also clear to most of us, I think, that the formal classification does not take us very far in assessing the character of a particular committee.

What I suggest here for comment is that there are three things which one has to find out at an early stage in dealing with any committee, and which

are fairly easy to assess even though they are less precise than matters of formal structure. These are (briefly) the relationship of discussion "round the table" in committee to previous discussion between members of the committee "outside"; the relationships of superior and inferior, command and subordination, between individual members of the committee; the type of decision the committee is trying to reach. Doubtless each of these headings could be broken down further; but this would be quite unrealistic unless the main headings are recognised as useful and can be used without introducing too much controversial jargon from sociology and psychology. References to anal eroticism and out-groups do put people off, unless they are predisposed in favour of this sort of language.

1. *External Relationships*.—One factor which makes it difficult to apply work on human relations or group dynamics to the study of committees is that committees are transitory—committees meet, decide (or fail to decide), and adjourn, and the dimension of time is important to them.<sup>4</sup> But there may at one extreme be a case in which the members of the committee form a group of persons intimately acquainted with one another and in continuous relationship, so that the committee meeting is no more than a place of formal record of decisions made elsewhere, and perhaps a ground on which minor tactical moves can be made in relation to battles to be fought elsewhere. The old-fashioned type of college meeting is now almost extinct, but will serve to illustrate this. There a small group of dons, living in close association, decide the business of the college by a process of talk which goes on sporadically but continually through the whole process of college life. The formal meetings of the college are necessary because their rules are the rules of the game, without which there could be no decision within the college and no unity of the college in face of the outer world. But the positions of the participants are decided before the meeting; they are not affected by further argument; and the meeting (even though it may be drawn out by eloquence to a seemingly length) is a formal occasion and not one of active decision.

At the other extreme is a committee of people meeting for the first time, in ignorance of one another's character, abilities and social background, and united at first only by a formal instruction giving them a task. In these circumstances the committee may be collectively quite ineffectual; indeed it is a miracle if such a committee achieves anything except after a period of preliminary talk which seems rambling and irrelevant, but which serves to establish mutual acquaintance. The Civil Service Selection Board is said to arrange such a meeting as a test of aspirants for the Administrative Class; nothing is impossible for a committee if all its members are bent with goodwill on a single task, but a committee so raw and diverse is the most ungainly of all instruments of administration, and it seems unfair to use this as a criterion of the aptitude of beginners.

In practice, committees lie somewhere in the scale between the close social group of the college meeting and the random assembly of candidates at the "country house." Most committees are meetings of people who know one another to some extent, but who have come together not to record a decision but to take one. Their success in doing so depends on their capacity as individuals and also on their goodwill in relation to the common purpose:

but the way in which they reach a decision will depend very largely on how far their meeting in committee is part of a less transitory association. At either end of the scale there is something which can scarcely be called a committee: at one extreme a ceremonial meeting of ratification, like that of the Privy Council, at the other a chance meeting of persons without meeting of minds, acting together only in so far as handled firmly by a chairman. A "good committee" lies somewhere between the extremes; the members come to it with open minds, believing that to meet is the quickest way to reach a good decision: but they know one another well enough to be able to leave much unsaid, and to quarter the ground thoroughly like a team or pack acting without apparent direction.

2. *Internal Structure.*—The second line of classification depends on relationships between committee members: these can be infinite in type and number, and so intangible as to evade definition, but for administrative purposes the relation of commander and subordinate is one well understood and to some extent defined. Different types of committee arise out of the interplay between this hierarchical form of order, and the "round table" equality of the committee form. These can best be illustrated by fairly specific instances:

(a) The commander's conference, in which the man formally in command meets those in charge of services or subordinate formations. Formally this is not a committee, as the ultimate decision is that of the commander, and it may happen that the meeting breaks down into a series of dialogues between the commander and each of his subordinates in turn. But it is better practice for the commander to state what he wishes to throw open to discussion, to act as chairman in leading to as wide an agreement as possible, and to reserve for his own decision points on which there is not firm agreement. Sometimes a commander may evade the problems of his dual rôle by leaving the chairmanship to his Chief of Staff, who will not outrank the others present: and a first-class Chief of Staff may be able to act for his commander to the committee and for the committee to his commander. But this is a heavy responsibility.

(b) There may be a committee of commanders. Unless they have a common superior close above them this may be as unfruitful as a negotiation between sovereign states, and for very similar reasons. It is particularly likely to be unfruitful if (as so often happens) each commander is accompanied by a "tail" of subordinates, so that there may be thirty people round a table only three of whom can speak as principals. Independent commanders without a common superior are not likely to agree on much except a definition of mutually exclusive spheres.

(c) Closely related to this is the familiar form of two-sided meeting with an independent chairman. This is a situation in which the result may be two-sided and not joint: a bargain, not a committee. Indeed that is the most probable result, and perhaps the best we can say of the procedure is that bargaining kept within the bounds of honesty and good manners by an impartial chairman is not a bad basis for mutual understanding and even esteem.



(d) Between independent hierarchical organisations these difficulties can often be evaded by two devices which marked war-time practice in Whitehall. First, the committee is one in which the initiative lies with one of the participants. Ministry A is charged with such and such a task. It meets the Ministries B, C, D, E and F in order to ascertain that they have no objections to its proposals and also to secure their co-operation for limited purposes. The initiating Ministry is using the committee primarily to save correspondence and time: it wants little from it except that individuals present should give specific answers to specific questions, without reference back and further correspondence; and it would not be wholly delighted to find a warmer response. Second, a conference of this type will generally be held on "low-level" or "medium-level." What the participants say may be repudiated by their superiors: but generally it will not be repudiated, and generally the "medium-level" administrator can take the risk of not standing too much on the punctilio of departmental autonomy.

(e) I cannot speak with experience of report-writing committees such as Royal Commissions, but there are a number of famous cases which have been quite well documented: the Committee of 1824 on the Combination Acts, the 1832 Commission on the Poor Law, the Commission of 1833 on Municipal Corporations, the Northcote-Trevelyan Commission of 1853, the Poor Law Commission of 1906-1909. It seems that in most of the important enquiries some member or members seized the initiative and did most of the preparatory work; perhaps this is now done in most cases by the chairman and the secretary, but leadership from the chair was not always expected or desired in the nineteenth century, and a committee might open with a battle for the initiative, sometimes prolonged even to the drafting of the report.

This last type of committee is one within which there is no formal structure of command; yet something like command emerges. There may be a united committee with one leader, subject of course to all the limitations on freedom which bind a leader; or there may be more than one aspirant, and then the committee's unity of purpose may break, and it ceases to be effective as a single committee. The previous instances have dealt mainly with committees in which the structure of command is formal; but similar relations will arise in committees where the same pattern is produced informally because some members are dominant in virtue of their status or qualities. This suggests that the notion of command is closely related to the notion of a committee. A committee is ineffective as a committee (that is to say the job could have been done better by some other device):

- (a) If it is wholly subordinate;
- (b) If it is wholly anarchic and egalitarian;
- (c) If it has rival leaders.

These three negatives define a wide area within which there are many variations. A working committee is neither wholly egalitarian nor wholly subordinate.

3. *The Form of Decision.*—Another wide range of possibilities is open if one considers the form of the decisions which the committee is trying to reach. Is it trying to decide specific action about an individual or in relation to a particular operation? Or (at the other extreme) is it attempting to lay down general rules to bind itself or others? Once again, the extreme case in each direction is only a limiting case; any deliberation seems to blend particular and general.

This may be illustrated from the general form of discussion in a committee of examiners dealing with a fairly large group of candidates in a high academic examination. The decision to be taken is whether each individual candidate is to be placed on one side or other of a line: for instance, whether in the First or in the Second Class. The trappings are not judicial but the procedure is essentially a judicial one—indeed the French call such a board a “jury,” using the English word. The board has to deal with a series of individual cases which are in practice very individual indeed—it is impossible in an advanced examination to find two candidates with exactly the same level of knowledge and the same balance of qualities; and it deals with them in the light of an array of what are in fact precedents—what is a good sort of answer to each question, what goes to make a good paper, how many good papers are required for a First. Some of these precedents are very specific, some are vague, some are unformulated. Indeed, general rules enter very little into the first stages of the process. Once each examiner has marked his scripts, the candidates can be sorted quickly and unanimously into three categories—clear I, doubtful, clear II: there need be very little discussion. But the “doubtfuls” must then be faced: and most committees will face them (perhaps after some rambling discussion of individuals) by looking for a rule. The rule must be authoritative; that is to say there must be convincing arguments for it. But it must also be useful, in the immediate sense of making it possible to resolve some of the doubtful cases; if it is a good rule in this sense some of them are now clear cases. Perhaps all are clear cases; or perhaps there is still a residuum, and the process has to be repeated. In the end, it may be impossible to find an agreed rule that helps; or it may be impossible to agree on how cases are affected by a rule, because there is irreconcilable disparity between examiners in assessing the value of an individual (though this is much rarer than one would expect). It then comes at last to a vote: some examiners may wish to take refuge in a vote quite frequently, so as to save time, but most regard it as a last resort, and not as the ordinary procedure for decision.

There is no reason to suppose that other forms of judicial decision by a committee differ much from this in essence, though the nature of the process is most obvious where scores of cases *in pari materia*, yet all different, are being dealt with together. And it is unlikely that in this respect there is any distinction to be drawn between cases decided judicially and those decided administratively. The process is one of narrowing down the infinite field of choice, to the point at which there is decision by unanimity or by vote. Some of the elimination is so obvious that it seems to happen by instinct; but when it comes to discussion the main technique is that of the putting forward and testing of rules by a sort of Socratic dialectic. I say the “main” technique, because it often seems that a much more aimless sort of discussion clears the

collective mind of the committee, and at the end of it what was doubtful has become obvious, without any talk superficially relevant or logical.

Would it be too symmetrical to see the mirror-image of this judicial process when a committee is trying not to decide a case but to frame a rule—even to legislate? Here the discussion is in form about a general rule and its relation to other rules which make up a system of law and custom. This sort of argument goes some way, and then bogs down; there is apt to be a point at which generalities balance one another on either side of the case. Is it fair to say that the decision is then made—or at least the deadlock is broken for the time being—by the application of the proposed rule to real cases, to see what would happen? Certainly, a well-chosen instance may sway a decision (not always fairly); and certainly part of the process of criticising a proposed rule is to comb one's memory and one's ingenuity for hard cases by which to test it.

This third classification does not seem to me as good a one as the first two, because under inspection the opposing poles dissolve into one another. Decision of principle is inseparable from decision of cases, in any form of committee business. Nevertheless, the distinction between the techniques of argument is plain enough, and to some extent it corresponds to types of business. But it also varies with the level of education, of social status, and of sophistication of the participants, and it is probably not possible to pursue this very far without passing over into general sociology.

#### *Implications*

It will be noticed that each of these classifications gives a continuous scale: they do not suggest neat sub-classifications by dichotomy, and it does not look as if one could proceed from them to a system which would pin-point the nature of an individual committee by cross-reference. I should not be optimistic about the chance of inventing a system under which we should by various marks identify a particular committee as Class I Sub-Class B, Class II Sub-Class A, Class III Sub-Class E—to be abbreviated as B.A.E. And even if we could identify it the identification would not enable us to look it up in the book and prescribe a remedy for its ailments. Is this therefore only a game?

Perhaps it would be defensible even if it were only a game. We reflect and talk a good deal about public meetings in general, including the public meetings of the House of Commons: surely it is time that we became more self-conscious and self-critical about the amount of time we spend on committees and about the odd ways in which they behave. They are at least as important in British democracy as the public sessions of more conspicuous bodies. But apart from sharpening our observation of the working of democracy an analysis of committees has mainly a negative value. It serves to warn us away from facile generalisations and false simplifications. Committees are highly individual; perhaps there are important general factors which underlie their individuality, but these factors can be combined in very complex ways. The administrator must measure committees by some Benthamite yardstick of effectiveness, and must deal harshly with the ineffectual when he has power to do so. But he will be unwise to treat all committees alike, or to try to lay down exact rules about how they should be run.

These simple platitudes are tedious to experienced men ; but they may be of some use in the sort of teaching (not necessarily academic teaching) which shortens the process of experience, provided that enough variations can be played on them to make them interesting. One method of teaching is that of analysis and generalisation ; another is that of pertinent example. Case-study teaching (even if the pupil is an Assistant Principal working on files in the office) is incomplete without analysis and generalisation ; it is impossible to talk about cases at all without generalisation, and it is as well that it should be conscious and cautious generalisation. But it is a long step from this to research of the scientific type, in which each generalisation suggests hypotheses, and in which the art of the scientist is to select promising hypotheses for testing and to find a technique for testing them. Talk about committees suggests plenty of hypotheses, but they are of a kind which can never be tested by experiment, so that they remain speculative rather than scientific. Professor Cohen's article is itself speculative ; and he would probably agree that scientific method in the social sciences must be developed in some simpler field than that of the committee.

<sup>1</sup>Aristotle, *Nic. Ethics*, Bk. IX. c. x. § 3.

<sup>2</sup>Perhaps this is all that emerges in practice from such mathematical studies as that by Black and Newing (*Committee Decisions with Complementary Valuation*) reviewed in *Public Administration*, vol. xxx, p. 295. Even with a committee of three the process of choice by majority between a series of motions is so complicated that it can be reduced to logical form only in mathematics incomprehensible to most of us. It is hard to take seriously Mr. Black's proposal to extend this technique of analysis to all forms of voting. (D. Black, "The Unity of Political and Economic Science," *Economic Journal*, Vol. LX (1950), page 506.)

<sup>3</sup>Vol. I, p. 34 (February, 1953).

<sup>4</sup>Cf. Urwick, "Committees in Organisation," p. 5.

# Costing and Administration

By ERIC MAXWELL, F.S.A.A., F.I.M.T.A.

*In the course of surveying recent literature on Costing and Accounting the Chief Accountant to the South-East Scotland Electricity Board reflects on the relations between accounting and management.*

MUCH is heard these days about costing; about cost accountancy and cost accountants; about the distinction between cost accounts and financial accounts, and about the new technique of management accountancy; and about the need for sound costing systems as something no good management can afford to be without. Some indeed may apprehend that the system and the accountant are more important than the management or administration, and, while it is not difficult to show that fears of this nature are groundless, it may be useful to consider in general terms what should be the relationship between costing and management. No more than a general survey can be attempted, and if some aspects of costing are dealt with less adequately than others, the answer is in the title to this journal. There may be advantage in the fact that the writer is himself an accountant, for there is need, in these days of increasing specialisation and sub-division of labour, to review the impact of one profession on another. Though whether there can be said to be a separate profession of administration or management is a further question to which it might be hard to find an answer.<sup>1</sup>

## *What is Cost?*

But we must settle our definitions. The terms "administration" and "management" connote the people who make policy decisions (whether in government, business or elsewhere), and the term "costing" is said to be the technique or process of ascertaining costs.<sup>2</sup> But what is cost? This is something the administrator will want to know before relying on figures of cost in framing policy.

But the truth is that cost, like truth, is many-sided; it can be expressed in many ways. When Humpty Dumpty used a word, it meant what he wanted it to mean. And so with cost. In relation to national accounts it may represent no more than cash outgoings on the service or object under review, and the same, with accounting refinements, is generally true in local government. More specifically, costs of materials issued from stores can be measured, among other methods, according to the average price of all stocks of the material in question at the date of issue, or according to the prices of the latest, or earliest, purchases. These methods are likely all to produce different figures of cost, although each has its own advocates and its own advantages.

Next there is the vexed question of overhead costs. Overheads, or indirect expenses, are items of expenditure which cannot be identified, or which it would not be expedient to attempt to identify, with particular units of cost.<sup>3</sup> Overheads have long been recognised as one of the cost accountant's many headaches. It has been said that

the elements of direct expenditure . . . comprising in the aggregate the prime cost of manufacture will not reveal to the proprietors of a

business sufficient information to warrant their leaving their cost accounts at this point. It is necessary that each unit of cost shall also be charged with its due share of the total indirect expenditure of the business which in some cases may be very considerable and may even exceed the total prime cost.<sup>3</sup>

But what is meant by "due share"?

Association of indirect expenditure with prime cost can only be on some arbitrary basis: the choice of base may have a significant effect upon unit cost figures, and different bases, all perhaps justifiable, may produce widely varying results. Some indirect expenses may not be known until a date long after the costs lose their critical value. Where indirect expenses are known they may have to be shared amongst a run of production of unknown volume. In both cases any apportionment of indirect expenses must be liable to error. And there are doubts whether some outgoings (e.g., interest on capital) are overheads or appropriations of profit.

There is the recurring controversy as to whether financial provision for depreciation is to be made on historical or replacement cost. Indeed the charge for depreciation is always a guess for it is based on the assumed expectation of life of the assets; mortality tables, while recognised as accurate on the broad average in relation to man, are likely to be less reliable when applied to machines.

This may suggest to some that depreciation is not an overhead, that capital spent on fixed assets is finally expended at the initial date of investment and that the cost of replacement must be recovered out of profits. In any case assets are seldom replaced in their original form and in periods of rising prices depreciation on historical cost will not maintain the original capital; not so serious a matter for concerns financed from loan capital, but a major problem in other cases.

Thus overheads as elements of unit cost represent no more than a calculated estimate of an infinite number of possibilities—an estimate which is meaningless unless stated in terms of certain assumptions. These remarks may be sufficient to illustrate the limitations of so-called actual costs.

Then there is the newer technique of standard costing. Standard cost figures, based on known levels of accomplishment, and taking into account the results of past experience and controlled experiment, are laid down as yardsticks against which actual costs are measured as they are incurred. Deviations from standard (variances as they are called) are classified as controllable (e.g., material usage, labour efficiency) or uncontrollable (e.g., price levels, wage rates). Thus the standard may appear as true cost, being the expression in terms of money of a planned output campaign, the actual figures being important only to the extent that they disclose deviation from the standard.

From a different angle there are the conceptions of marginal and opportunity costs. Marginal (or avoidable) costs represent the additional outlay to be made to secure an additional output, or conversely what will be saved by reducing output. Off-peak electricity tariffs are an obvious instance where the marginal cost theory operates. Opportunity (or alternative) cost briefly is the highest alternative income lost by making a particular decision. Thus



depreciation may be the present value of future profits lost by using an asset on one process or job or by refraining from selling it or using it for something else. Interest on capital can be dealt with as an opportunity cost in the same way, and indeed life is mostly a choice of alternatives, each with its advantages and its costs. These conceptions of costing can hardly be brought within the framework of double-entry book-keeping (as the others usually are), but may be at least as important to those who make policy decisions as any other form of cost measurement.

It is not difficult to conclude that cost measurement is full of snares and pitfalls. It has been said<sup>4</sup> that the accounting profession

has at times exaggerated what can be done for business and investors.

It has talked of certainty and complete assurance while only an informed judgment and a substantial safeguard could in fact be provided.

It is not so much that there is a single truth in accounting as that different answers are true when the questions that are put differ. One may reasonably infer that cost measurement should never claim to be more than a means to an end, and that it may be more important to understand the purpose for which costs are wanted than to attempt undue refinement of figures. For those who wish to pursue this chameleon of cost definition and analysis, David Solomons<sup>5</sup> has much of interest to say, though the chase is arduous and never-ending.

#### *Costing History*

A brief study of costing history leads Solomons<sup>5</sup> to the conclusion that there is remarkably little in modern costing which our fathers did not know about, though much has been done in the last four decades in converting ideas into widely adopted practices. Few would disagree with this conclusion. The technique of double-entry book-keeping, as is well known, originated in Northern Italy in the fourteenth and fifteenth centuries, but budgeting, as an attempt to plan business and economic activity, is of greater antiquity. As Solomons points out, Joseph in Egypt made a budget of corn supplies and planned Pharaoh's investment and consumption policy in the light of it.

What has changed is the scale and nature of business and industrial activity. In place of the simple mercantile operations of days gone by, a vast, diversified, and highly competitive complex of industry has grown up with extensive sub-division of labour and widespread specialisation, power machinery and other accompaniments of modern civilisation, while a great increase has taken place in the range and volume of services controlled by government, public corporations and local authorities. Overhead costs, including the cost of capital equipment and of administration, now form a far greater proportion of total financial outgoings, and, although accountants have argued unceasingly about the nature of overheads and their allocation among products or services, there is still doubt and controversy on many questions of cost definition and analysis.

Emphasis is tending to shift from cost ascertainment to cost control, in the sense that techniques of budgetary control and standard costing can help management to make the right decisions in relation to such matters as scale and nature of output, internal productive organisation, avoidance of waste and, generally, the achievement of optimum levels of efficiency.

The practice of accountancy, "diagnosis of the financial situation of a firm or corporation from its records,"<sup>6</sup> has thus become as diversified in operation as industry itself. One hears of all sorts of accountants—not only of Chartered, Incorporated and Certified Accountants, the senior professional societies—but of industrial accountants, cost accountants, municipal treasurers and accountants, hospital accountants, management accountants, and others, not to forget perhaps the most important of all—the great body of practising accountants who engage in audit, taxation, bankruptcy, general accounting and system efficiency, and other work.

But is the technique, art or science of accountancy, however many-sided it may be in its scope and processes, really capable of arbitrary division, apart, of course, from the division into accountants in private practice and accountants in employment? To the administrator or manager, accounting (in the broad sense) must appear as a single service, a financial service, a section in the symphony orchestra conducted by those who make the policy decisions. We can consider later which section of the orchestra can best be said to represent the financial point of view. This quality of "oneness" in accountancy is noted by Solomons,<sup>8</sup> and also by the Anglo-American Council on Productivity Report on Management Accounting of 1950.<sup>9</sup> No clear line can be drawn between accounting generally and management accounting, or between cost and financial accounting unless convenient assumptions are made. Perhaps the simplest statement of the accountant's function is that he gives financial service and advice to management and administration, and, on that basis, the broad place of finance (and therefore of costing) in industry and administration can be recognised. What the financial officer is called, whether it be accountant, treasurer, chamberlain, comptroller (or controller—to use the American term), seems to be of much less significance.

In America, perhaps even more than in this country, the importance attached to finance and accounting is reflected in the representation of these functions at top management level, whether in the form of financial vice-presidents, treasurers, or controllers, or all of them. It is not, of course, uncommon to find professional accountants on the boards of business or public concerns in Britain, but more seems to be heard of the financial voice in America. The accountant and his work are not suffered—they are enjoyed.<sup>10</sup> Whether this is because American workers and managements are more cost-conscious and efficiency-minded than their counterparts here is a question to which the answer cannot be given in this article.

#### *Government Accounting*

One recent report on Government budgeting and accounting<sup>20</sup> admits the possible distinction between functions of "accountability" and of "management," but remarks that at many points the two purposes merge. Accountability is usefully defined as

the establishment of a pattern of control over receipts and expenditures that permits a determination, either by the executive or by the legislature (or both), that public moneys have been used for a public purpose

and management considerations are said to require

that accounts be kept on a basis that permits the continued measurement and analysis of government programmes and the efficiency with which they are performed.

Management considerations may thus relate to the aggregate performance of the government as a whole, or to the measurement of activities of administrative units.

But the term accountability implies that someone has to account, that someone, as it were, is on trial. And who but the management can satisfy this requirement? Any distinction between cost accounts and financial accounts disappears here, and it has been said<sup>20</sup>:

The accounting system must provide management at all levels with information for planning and direction. This includes, but is not restricted to, cost measurement.

In this country the Permanent Secretary of each Government Department is its Accounting Officer and responsible for all its work, and the Finance Division, or Chief Accountant, has, in addition to ordinary financial and accounting functions, the duty of advising the Accounting Officer on the financial implications of questions of policy. Such questions are, it is understood, referred to the Finance Officer for comment before policy decisions are taken. The same, and perhaps more, can be said of Local Authority Treasurers, who are expected not only to be accountants in the more restricted sense, but also to provide that informed financial advice without which sound decisions can hardly be taken by the elected representatives.

Costing, then, as the process of ascertaining cost (under whatever definition is chosen) is but one part of this general conception of financial service. And valuable as the modern technique of standard costs undoubtedly is in certain industries and processes, there must be cases in which the theory of marginal costs, if applied to costing itself, will lead to the conclusion that extreme refinements of costing technique are unremunerative. A few topical examples may be worth considering.

#### *Public Cleansing—Costing Returns*

The Minister of Housing and Local Government is to resume publication of annual costing returns for the public cleansing services, and it has been said that if there is any service for which it should be comparatively easy to determine unit and standard costs, it should be public cleansing. But is this really so? The standards would have to relate to the facts, and the facts may differ, as between one place and another, in so many possible respects, that not one but many standards would be needed. Frequency of collection, density and type of property, length of "carry," and types of collecting vehicle are only a few, and perhaps the simplest, of the list of variable circumstances. There might, indeed, be nearly as many separate standard cost figures as there are different actual cost figures. But this is not to say that the old cleansing cost returns were worthless or that the new returns will not be worthwhile. Far from it. Any comparative analysis of publicly or locally financed expenditure uniformly compiled, and expressed

in significant unit costs, must provoke interest and stimulate criticism. Any such analysis must gain in value as absolute uniformity in compilation is more nearly attained, and as unit costs of more significance are used. But, of itself, any such analysis will provide few answers although it may pose many questions.

#### *Local Government Costs Generally*

A recently published survey of unit costing in local government<sup>11</sup> suggests that, although unit costs, used honestly, will provide an instrument of control in some services (though not a magical formula), there are other services where they are ineffective. Thus, there appears to be no scope for unit costing in museums and art galleries; some scope in refuse disposal and cleansing; more scope in highways; and probably more still in services such as passenger transport and civic restaurants.

There is no pronounced dividing line between a unit cost that is an effective instrument of control and one that is not.<sup>11</sup>

This line of argument recognises the inherent limitations of costing. But the survey has little to say about the difficulties not only of defining cost, but of associating costs with standards or quality of performance (as distinct from standard costs). It does, however, suggest that unit cost figures should be shown clearly as either including or excluding capital charges (depreciation and interest) and central administration expenses. On standard costs the survey is cautious, though it does refer to the use of standards for school meal costs and costs of school construction (per place). Nevertheless, the survey, which marshals and presents the evidence intelligently and fairly, is well worth study, not only by those closely associated with local government, but by all interested in the technique of financial management and control, whether achieved by costing or otherwise.

#### *Hospital Costing*

Hospital costing may be most topical of all; some £300 millions are being spent annually on hospitals. Investigations into unit costing for hospitals have been carried out in recent years by the Nuffield Provincial Hospitals Trust and King Edward's Hospital Fund for London, reports having been published by both bodies, while a cautious and practical report was published by a Committee of Regional Hospital Board Treasurers.<sup>12</sup>

The Reports of the Trust and the Fund are long and technical and cannot be considered in detail here. Broadly, the Trust and the Fund agree that there should be objective hospital costing on a departmental basis. The Trust is guarded. It sees costing in the future as part of the financial system for the hospital service and thinks standard costs may be capable of use for estimates and budgetary control. The Fund is more confident and believes that "handsome dividends in the way of economies and increased service may be secured by more effective control of expenditure."

The Trust recognises the special difficulty of allocating indirect costs and the Fund gives warnings about the effect on comparative cost figures of the exclusion of depreciation. Perhaps it is worth adding that different bases of cost comparison are adopted for Scottish hospitals.<sup>13</sup> *Accountancy*

comments on the tendency to exaggerate the advantages of intricate costing techniques and of over-simplifying the problems of costing and their application for administrative purposes :-

This is especially true of the hospital service, where the costs to be analysed are complex but where, as matters stand, the reasons for the wider variations between hospitals do not call for extensive analysis.

And the *Economist* sagely suggests that while costing may eventually have a place in hospital financing, there is a danger of its becoming an end in itself instead of a useful tool—for those capable of handling it.

These examples support the view that costing is no panacea for all ills, even when people agree what cost is and how it should be measured. Moreover, attention to costs alone is a rather lop-sided form of financial control in any industry, and a self-professed costing enthusiast has said that the complexity of many of the ideas which had been enunciated about costing was a deterrent to the adoption of simple and adequate methods.<sup>14</sup>

## Other Aids to Efficiency

Other methods of encouraging economy and of exercising financial control are often ready at hand. In the case of hospitals, power could be given to retain unspent balances (an obvious way of encouraging economy), more flexibility could be introduced into capital budgets (to help in reducing future running costs), and more financial control (and therefore effective interest in good management) should be delegated to those responsible for running the hospitals.

Thus it may be that enlightened financial administration has a contribution to offer to the hospital dilemma greater than anything to be attained from a series of costing elaborations. Certainly, as the Trust Report points out, economical service cannot be attained while hospital authorities are controlled by the present rigid financial regime.

But it has been claimed that costing :

- (a) Reveals profitable and unprofitable activities.
- (b) Enables wastage to be traced and economies effected.
- (c) Enables comparisons to be made.
- (d) Provides information upon which estimates and tenders may be based.
- (e) Enables production to be regulated systematically.
- (f) By requiring an efficient system of stores accounting, provides control over materials.
- (g) Provides an independent check upon the financial records.
- (h) Enables the exact cause of an increase or decrease in the profit or loss to be located.
- (i) By disclosing weaknesses in manufacturing operations, stimulates the invention of new and improved processes.<sup>15</sup>

However successfully costing in practice may or may not justify these rather extensive claims, the major job of costing is to contrast performance with expectation and it is often possible to do this quite effectively and more simply than by some of the rather circuitous methods we may employ.<sup>16</sup> Costing represents the cost accountant's assessment of a situation which can be interpreted in the language of other professions: but in many cases comparisons, tests and controls are more validly drawn or exercised in absolute terms (e.g., man-hours) than in terms of money or money-rates.

Indeed many decisions as to relative efficiency can be made without the aid of cost accounts; these may only be an expensive means of telling management what it should already know. For instance, an elaborate costing system may show all manner of detail about idle time, its extent, cost to the business, and where the weakness lies, but might this not be more easily dealt with on the spot by a competent foreman or works manager?

There is a wide variety of complementary aids to management whose form and application vary according to the type of concern. They include time and motion study; manpower and capital budgets; efficiency audits; profit ratios; O. + M.; productivity reports; and there may be others. Establishment control offers great possibilities. Not uncommonly, most of the cost of a service is composed of direct salaries, wages and associated outgoings (superannuation, national insurance, etc.). If the number of people required to run a service, unit, or group today can be reasonably determined, and effective staff control maintained, cost standards are almost instantly available.

Thus in refuse collection, if a fixed number of men are allocated to each route, a control on the number of bins emptied per man may be just as effective as unit costing.<sup>11</sup> And again, on school meals, termly unit costs of food and wages can give sufficient information to maintain financial control, provided continuous watch is kept on numbers of meals and staff establishments.<sup>11</sup> Financial control may be had quite simply when it is found where the things that matter can go wrong and then devising a signalling system to show if they do.<sup>16</sup> And much can be done by internal audit staffs who realise the possibilities inherent in the proper use of statistical ratios and unit costs.<sup>11</sup>

An eminent accountant referred recently to the diversion of directing productive human effort to administration, saying that the cost of every salary in excess of the minimum required for effective control of industry is one of the most insidious and disproportionately great factors in the depreciation of the purchasing power of our currency.<sup>17</sup> In other words, too much administration and too little production.

Who would disagree, but may it not be gently suggested that the accounting profession (in common with others) has need to put its own house in order? Perhaps too many figures are being produced by too many people for too little purpose. Costing, and indeed all financial processes, must always be subject to critical review.

Inside industry, accounting has no claim to exist in its own right. Apart from facilitating the systematic collection of debts and ensuring that no-one appropriates anything of value, it does not earn its keep . . . unless it helps management to manage better than if it were not there.<sup>7</sup>



It has been said that nationalised industry offers magnificent scope for the accountancy profession,<sup>18</sup> and indeed that in some respects the modern accountant must become the conscience of modern big business in general, and of nationalised industry in particular.<sup>19</sup> Definitions of income and expenditure become matters of morals when accounts reach a certain degree of complexity. And the gathering of data inevitably requires increases in the establishment of clerks, cost clerks, statisticians and qualified accountants at all levels, driving technologists to agonised cries. Who will say these are entirely without justification?

### *Conclusions*

Conclusions about relations between costing and administration can only be drawn with caution and in the broadest terms. Although the range of the accountant's activities is wide, is not the profession itself (apart from the accountants in private practice) to be regarded as indivisible? Thus the accountant, as paymaster and receiver, must disburse all outgoings, being satisfied that they are due and accurately computed, and in-gather all revenue. As the recorder he should maintain all necessary financial records. He should deal with taxation matters, instal modern systems of accounting and advise on diverse subjects such as insurance, superannuation, capital finance, and others. As financial officer he prepares budgets, often in collaboration with technical colleagues, and provides information and appreciation of financial progress against budget, or against whatever standards or units may have been adopted. The absence of satisfactory statements of this kind was a feature of the Enfield Cables case in which the vital importance of adequate and expert accounting and of close co-operation between accounting staffs and boards of directors was clearly demonstrated.<sup>21</sup> Briefly, the accountant is, or should be, the financial voice and should be heard before policy is made or changed. But if he may influence policy, he does not direct it (unless he is a member of the Board, in which event he is acting as a manager and not as an accountant).

Cost accounting takes its place as an element of financial service and the accountant's duty in cost measurement and analysis, as elsewhere, is so to arrange his organisation as to provide the optimum range and quality of information and advice measured in relation to the cost of providing it. The degree of cost accounting must depend partly on the nature and range of the industry or service and partly on the extent to which other aids to financial management are readily available.

The position of the accountant would be clearer if the long-deferred regulation of the profession could be realised. Is there any sound reason why so many varieties of professional accountants should be at large? Corresponding problems have been resolved by other professions. But it would be a step forward if something could be done to remove or abate the petty specialisation which is becoming increasingly attached to accounting. Apart from accountants in private practice, is it not logical to conclude that all accounting services can be grouped under the term management accounting if that term is to be used at all?

But there is need for accountants generally to take a greater interest in the problems of the economist and statistician, and for closer relationships

to be worked out with establishment officers where this function is not performed by the accountant. Only by means such as these—by broadening the base on which financial appreciation rests—can accountants be relied upon efficiently to serve those bodies, public and private, which employ them. Something has already been done by the universities and professional societies in this direction, but more is needed.

What place then can be assigned to the accountants in the symphony orchestra conducted by those who have the duty of making the policy decisions? Are there not more reasons than one why the accountants should be identified with the brass? Not essential to the music of peaceful prosperity, they must know when to remain silent. Small in number, and economical in the use of resources, they should be well known and at once recognisable by those with whom they have to deal. But when the situation so demands, should the trumpet not sound; muted, it may be on occasion, but always promptly and clearly, and if necessary in full voice? And if the conductor disregards the sound of the alarm is that any official concern of the trumpeter, even if the walls of Jericho should fall?

<sup>1</sup>*Professional People* by Roy Lewis and Angus Maude. P. 270. "We cannot conceal our conviction that there is almost no case for the creation of a profession of management—at least one trained separately from the other professions."

<sup>2</sup>*Terminology of Cost Accounting*. Published by I.C.W.A.

<sup>3</sup>*Cost Accounts* by Walter W. Bigg, F.C.A., F.S.A.A. P. 72.

<sup>4</sup>*The Accountant*, 30th April, 1938. Quoted in *Studies in Costing*, edited by David Solomons.

<sup>5</sup>*Studies in Costing*. A collection of costing studies edited by David Solomons on behalf of the Association of University Teachers of Accounting, and including an essay by himself on the historical development of costing.

<sup>6</sup>*Professional People*. P. 30.

<sup>7</sup>Basil Smallpiece, B.Com., A.C.A., reported in the *Accountant*, 12th January, 1952.

<sup>8</sup>Solomons. Preface p. (vi).

<sup>9</sup>*Management Accounting*. Report published by Anglo-American Council on Productivity, 1950. Chap. 2, par. 57.

<sup>10</sup>*Cost Accounting and Productivity*. O.E.E.C. Report by a team of European experts on the use and practice of cost accounting in the U.S.A., 1952.

<sup>11</sup>*A Survey of Unit Costing in Local Government* by Sydney Yates and R. E. Herbert. A Research Study published by I.M.T.A. June, 1953.

<sup>12</sup>Nuffield Provincial Hospitals Trust—*Report of an Experiment in Hospital Costing*; King Edward's Hospital Fund for London—*Report on Costing Investigation for the Ministry of Health*; and *Hospital Cost Accounting* by the Committee of Regional Board Treasurers for England and Wales. All reviewed by a Hospital Service Accountant in *Accounting Research*, January 1953.

<sup>13</sup>Hospital Costing Returns for Scottish Hospitals for 1951/52, published by Department of Health for Scotland.

<sup>14</sup>Norman G. Lancaster, M.B.E., A.C.A., at an Incorporated Accountants' Course on Managerial Accounting at Oxford. September, 1952.

<sup>15</sup>*Cost Accounts* by W. W. Bigg. Pp. 4, 5.

<sup>16</sup>Walter Nuttall, F.I.M.T.A., F.C.W.A. "The Quest for Efficiency." Paper delivered to I.M.T.A. Annual Conference, June, 1953.

<sup>17</sup>S. C. Tyrrell, F.C.W.A., F.I.I.A. at the 24th National Cost Conference of the I.C.W.A.

<sup>18</sup>*Professional People*. P. 134.

<sup>19</sup>Henry Smith, "Accountancy in the Modern State." *Political Quarterly*, June, 1947.

<sup>20</sup>*Government Accounting and Budget Execution*. United Nations Publication ST/ECA/16, November, 1952.

<sup>21</sup>*Accountant's Journal*. May, 1953. P. 132.

# Nationalised Industries and the Public Accounts Committee, 1951-52

By GWENETH GUTCH

*A description of the Public Accounts Committee's examination during its 1951-52 session of the Annual Report and Statement of Accounts of the British Transport Commission and the Raw Cotton Commission.*

As the Boards of nationalised industries are required by their parent Acts to present to each House of Parliament accounts with their annual reports, no statutory justification is needed for the Public Accounts Committee's decision to examine these accounts. It is within the Committee's discretion, according to the Standing Order which regulates their activities, to examine not only Appropriation Accounts, but also "such other accounts laid before Parliament as the committee may think fit." For a nationalised Board, unless any grants or advances from public monies were involved, the Public Accounts Committee would not have before them a report from the Comptroller and Auditor-General to assist them in their examination of the Board's accounts.

In the session 1951-52 the Public Accounts Committee decided to examine in detail the Annual Report and Statement of Accounts from two of the self-supporting nationalised Boards. This is not the first session in which such an examination has been made, but it is the first time that the British Transport Commission and the Raw Cotton Commission have been investigated by the Committee, and it is perhaps significant that in both these cases the statutory auditors had appended qualifying remarks to their formal certificates of audit. In the case of the Raw Cotton Commission the circumstances which had occasioned the auditors' remarks were in fact the only issue upon which the Committee chose to comment in their Report. The Report makes no mention at all of the British Transport Commission.

Except in the case of the Overseas Food Corporation in 1949, the Committee had not previously heard evidence from the professional auditors. However, during the major part of the examination of the British Transport Commission the joint statutory auditors of the Commission's accounts, Sir Alan Rae Smith (of Deloitte, Plender, Griffiths & Co.), and Sir Harold Barton (of Barton, Mayhew & Co.), were present and gave evidence as required. Apart from the limited and technical qualification of their certificate, no explicit reason is given for the Committee's decision to examine the auditors personally and depart from their usual practice when examining the accounts of other nationalised industries. The auditors of the accounts of the Raw Cotton Commission were not called before the Committee although they had also qualified their certificate. It is, of course, possible that the Committee wished to question the statutory auditors of the British Transport Commission in order to clarify their own position and the degree of responsibility they accepted for the reports of the subsidiary auditors.

In the circumstances the reactions of these witnesses may well be of wide significance for the future relations between the Public Accounts Committee and the nationalised industries. Lord Hurcomb, the Chairman of

the British Transport Commission, appeared on behalf of the Board together with the Accounting Officer of the relevant Department, in this case Sir Gilmour Jenkins, the Permanent Secretary of the Ministry of Transport. As usual in Committee sessions the Comptroller and Auditor-General, Sir Frank Tribe, and a Treasury Officer of Accounts, Mr. P. S. Milner-Barry, were also in attendance.

*The British Transport Commission*

The Chairman of the Public Accounts Committee, Mr. John Edwards, began the examination of the British Transport Commission's Report, Accounts and Statistics for 1950 by confirming with Sir Gilmour Jenkins the details of the Minister of Transport's appointment of the joint auditors of the Commission's accounts. Mr. Edwards noted that Mr. Barnes, under the scheme of audit which he as Minister of Transport approved in July, 1948, had chosen (unlike other Ministers with similar responsibilities) to appoint individual Chartered Accountants by name rather than to spread the responsibility over their firms. The responsibility for appointing the internal auditors of the Executives and Departments of the Commission was entrusted to the Commission itself. The reports of these subordinate auditors were not seen by the Minister of Transport: he relied entirely on the two statutory auditors of the Commission's accounts "to report anything which should be brought to the Commission's notice or to his notice" (2424). Lord Hurcomb explained that the Commission had about 130 internal auditors, of whom most were subsidiary or local auditors and the remainder co-ordinating auditors for each main Executive division, and that all their reports were made to the Commission and would be available to and eventually reviewed by the two statutory auditors.

After examining the general audit arrangements for the British Transport Commission which had been made by the Minister of Transport and the Commission, Mr. Edwards turned to the statutory auditors' qualified certificate and asked Lord Hurcomb about its reference to the auditors of the Road Haulage Executive. Having given the name of the firm of co-ordinating auditors, Lord Hurcomb was then asked to provide the Committee with a copy of their report to which the statutory auditors had referred in their certificate. Lord Hurcomb pointed out that this request raised "very large issues" and he continued:

That report itself might refer to the reports of other auditors, and on the same principle I might be asked to produce the report of every investigating auditor that we employ.

2435. (Chairman) You might very well, but what is your answer to my question?—My answer, if I may respectfully give it, is that I should like time to consider that question because it certainly does not affect only the Commission of which I am Chairman, it seems to me to raise a general issue in regard to the nationalised industries.

In a footnote to the Minutes of Evidence it is disclosed that the witness subsequently forwarded the relevant extract from the auditors' report. In reply to other members of the Committee, Lord Hurcomb elaborated his objections to the Chairman's request:

It had never, I confess, occurred to me that this Committee would ask for all the subsidiary reports right down the line which are made to the Commission for the necessary conduct of its own internal business or to the main auditors to satisfy them before they gave their certificate. I feel that it raises all sorts of questions that need very close consideration. These reports, naturally, go into a very great deal of detail and they are part and parcel of the ordinary control and management of the undertaking internally. I feel that if it is suggested that internal documents of that kind should be made available and eventually published very large questions which need much consideration are bound to arise (2440).

He also declined to consider it as an isolated issue :

The point I was endeavouring, with great respect, to make was that to produce a particular report would at once constitute a precedent for producing at least all the other reports which are referred to in an omnibus way in the main auditors' certificate (2445).

In the course of this discussion the question of "the statutory right" of the Committee "to investigate the accounts of the Commission" was raised by Mr. Benson, who went on to ask :

If we wished, which Heaven forbid, to investigate in so great detail the accounts of the Commission, how could we do so without access to all your auditors' reports ? (2442).

Lord Hurcomb declined to comment, but Sir Gilmour Jenkins made a clear statement of the ministerial attitude towards the issue :

I agree with Lord Hurcomb, respectfully, that that request does raise questions which go far beyond the Commission. It obviously concerns the affairs and the accounts of all the socialised industries. The extent to which the Committee wish to go in detail into the detailed reports on the accounts of a nationalised industry, of course, is a matter on which I cannot pronounce at all. They may wish to go a considerable distance, but I would suggest that if they were to do so they would be going rather further than Parliament intended, I think, when they set up these bodies. That intention was that they should act as commercial undertakings and should not be subjected to detailed day-to-day control in the commercial affairs with which they were concerned, and would conduct their affairs, as I said before, on a commercial basis. That was the clear decision of Parliament at the time and I think it would be necessary to take time to consider the position, if Parliament wished to go more fully into the detailed accounting, which means the day-to-day administration of the Commission, in a way which was not originally contemplated (2443).

Later the Committee returned to the question of the status of the various auditors of the Commission, and Lord Hurcomb was asked whether he considered the reports from special auditors or from statutory auditors as day-to-day affairs of the Commission. He replied :

The statutory auditors' report is rather more than that, it is a very important and necessary document which they only sign after I myself

have signed our accounts and it is done in the most formal way, but as regards all the subsidiary auditors, though they have to carry out proper professional investigations, of course, they are able in the course of their investigation to make many points and suggestions, not necessarily on paper at all, as to whether they think something might be looked at or even improved, or comments on personalities and things of that kind which are a very great help and, indeed, a necessary aid to the conduct of a vast business of this sort (2486).

2487. (Mr. West) Do I gather from that that you do not regard the subsidiary auditors' report as coming, as it were, within the day-to-day administration?—I think they are part of the day-to-day administration but they are also a necessary factor in leading up to the summation of the financial activities of the whole year which eventually gets covered by the main auditors' certificate.

It was also pointed out to Lord Hurcomb that although the Committee had the right to ask for documents they might at his request not be published. Lord Hurcomb replied :

I did not mean to go to the length of saying it would automatically be published. . . . There is, however, always a very great difficulty apart from matters of defence, and so on, in withholding from publication anything that does attract interest (2490).

Lord Hurcomb and the other witnesses appearing with him described the circumstances which had provoked the comments in the statutory auditors' certificate and, apart from the production of further written evidence, appeared to satisfy the Committee on these points. The Committee were, however, much interested in the constitutional aspects of the problem they had encountered and took the opportunity of examining the auditors upon their attitude towards the work of the internal auditors. If for any reason he was dissatisfied with this work, Sir Harold Barton replied that his first step would be "to raise it with the Comptroller [of the B.T.C.] or other appropriate senior officer, I think it would be the Comptroller, . . . and raise the point with him first and discuss the situation with him. Of course, naturally, we shall have had a word with the auditors concerned first" (2510). This seems to be a very natural reaction and not one which would be likely to raise any constitutional difficulties. In the British Transport Commission the Comptroller was appointed by the Commission to be their chief financial officer and he reports directly to the Board and the Chairman.

Good professional relations between the various auditors have no doubt been fostered by the Commission in submitting to the statutory auditors a list of those internal auditors whom they propose to employ. The statutory auditors were not in any way responsible for the Commission's appointments, but they agreed that they had "not disapproved of them" (2524-6). The auditors also gave evidence that they did not conceive it their duty to conduct an efficiency audit of the Commission's accounts or to point out, as the Comptroller and Auditor-General might feel it his duty to do for a Government Department, any extravagance, so long as the expenditure had been properly authorised (2511-5).



Finally, before withdrawing, the auditors agreed that the amount of actual information in the annual report was "far greater than you would get normally in a commercial undertaking submitted to the shareholders" (2548). Their impression that it was also more than would be supplied by the Comptroller and Auditor-General on a Government Department was confirmed by Sir Frank Tribe, who also commented that statistics comparable to those included in the Commission's accounts would be published separately by a Government Department and that he did not think the Committee would appreciate receiving from him notes similar to the fourteen pages appended to the statutory auditors' report to the Commission.

The Proceedings of the Public Accounts Committee do not disclose why they decided to depart from their previous practice in examining witnesses from the public corporations and summon before them, in addition to members of its Board, the auditors of the corporation's accounts. It is also not clear whether this precedent, if followed, would be applied to internal as well as statutory auditors of a corporation. If it were it would transform the internal auditors into external or ministerial auditors and inevitably increase the dependence of the corporation on the Minister.

The Committee raised other points which show how precarious is the present tightrope traversed by the public corporation. For example, they wanted to know why the accounts could not be subdivided further to show the details of commercial subsidiaries of the Commission and tried to adopt the attitude that it was for the Public Accounts Committee to see all these details in order to decide "whether or not it helps us, and not for anybody else at all. We are delegated by Parliament to do this job and, therefore, we have the right to decide whether we think it is the right thing or not, surely?" (2469). Fortunately this attitude did not prove too infectious and Lord Hurcomb was conciliatory even in pointing out that the Treasury did not know all these details:

I do not think they are concerned, but we are not a department. We are not in the position of a department of Government and we are not subject to Treasury control in that sort of detail (2470).

Moreover he denied that only the Commission was really entitled to know about their own activities:

I think we are bound to give to Parliament all the detail and the information that can be reasonably afforded. It is a question as to how far points of detail of a purely commercial or business character are pursued and made public (2471).

Both Lord Hurcomb and the representative of the Treasury resisted the Committee's attempts to obtain answers to questions outside the period of the account before them, which was for the year ended 31st December, 1950 (2555, 2567), though the auditors were not so reticent (2520). Further questions were concerned with the size of the Commission's deficit and the interpretation they placed upon the statutory injunction to make their revenue meet the charges upon it "taking one year with another" (Transport Act, 1947, Section 3 (4)); the Treasury guarantee for Transport stock, the amount of this stock and the Ministry's attitude towards applications for further

issues; the investment policy of the Commission, the closeness of their ties with the Treasury on capital investment and their informal contacts about current resources; the Commission's costing system and their awareness of diminishing returns from increases in fares; relations with the Railway Rates Tribunal; economies from the standardisation of equipment and in closing little-used stations and branch lines; and the Commission's general liabilities for taxation.

#### *The Raw Cotton Commission*

The evidence of the Chairman of the Raw Cotton Commission, Sir Ralph Lacey, was given in company with the Permanent Secretary to the Board of Trade, Sir Frank Lee, and as usual in the presence of the Comptroller and Auditor-General and the Treasury official. The firm of Chartered Accountants who were appointed auditors of the Commission's accounts by the supervising Minister, in this case the President of the Board of Trade, were not called to appear before the Committee; but the remarks appended to the auditors' formal certificate were once again the first issue to which the Committee's attention was directed, and on this occasion the Committee also saw fit, apparently for the first time, to place on record in their Third Report for the session 1951-52 a statement of what they consider should be the general practice of "public Corporations accountable to Parliament." This comment was made on an issue arising out of the auditors' report dated 7th February, 1951, on the accounts of the Commission for the year ended 31st July, 1950, which concluded with the following remarks:

We have directed your attention to payments in advance of salary which were made without the approval of the Board of Trade to the then Chairman of the Commission before and since 31st July, 1950. Nothing was outstanding as at the date of the foregoing Balance Sheet in respect of such advances.

The examination of the Chairman of the Commission by the Public Accounts Committee in December, 1951, disclosed that the previous Chairman of the Commission "had not remained in office long enough to earn all the advances made after 31st July, 1950, and that he still owed the Commission over £2,000." In their report the Committee's comments continued:

125. Section 5 of the Cotton (Centralised Buying) Act, 1947, provides that the members of the Commission shall be appointed by the Board of Trade and their salaries determined by the Board with the approval of the Treasury. The Board's functions under this section are now exercised jointly with the Ministry of Materials. The Board stated in evidence that the terms of the Chairman's appointment did not specify when the salary was to be paid, but it had been assumed that the normal Civil Service practice of payment in arrear would be followed. They agreed that the point should be made explicit.

126. Your Committee consider that the normal Civil Service practice of payment in arrear should be followed by public Corporations accountable to Parliament. In view of the suggestion made in evidence that business practice might sometimes differ, they think that Departments should not leave to assumption any of the terms of payment of

members of such bodies for whose appointment they are responsible, but should define them clearly and fully either in the letter of appointment or in some other formal contract document.

It is now part of the normal procedure of the Public Accounts Committee to present to Parliament for publication at the earliest opportunity the Treasury Minute on the Reports of the Committee for the previous session. This Minute notes or makes comments on all the items raised in the Committee's Reports. In the case of the issue discussed in paragraphs 124 to 126 of the Committee's Third Report for 1951-52, which dealt with the Raw Cotton Commission accounts for 1949-50, the Treasury Minute appended to the First Report from the Committee for the session 1952-53 stated :

My Lords agree with the views of the Committee concerning the payment of salaries by public corporations. Action to ensure that in the case of future appointments the contract, or letter of appointment, should explicitly provide for the payment of salary in arrear, has already been taken.

The resignation letter of the late Chairman of the Raw Cotton Commission (Mr. H. O. R. Hindley) and the reply from the President of the Board of Trade were published in *The Times* on 6th January, 1951, and from them it appears that in December, 1950, after discussion between the Board of Trade and the Commission, the Commission's auditors were informed that the Board of Trade did not approve the advances of salary which Mr. Hindley had on two occasions received. Mr. Hindley concluded his letter by saying : " Having regard to our discussion on December 21, I realise that I have no alternative but to place my resignation in your hands." Though this was a special case, the action taken by the Public Accounts Committee and the Treasury seems to provide a fair example of their attitude towards the public corporations and of the way in which they are most likely to treat such matters in the future.

The detail in which the Committee chose to examine Sir Ralph Lacey on other points arising out of the report from the Raw Cotton Commission was at least as varied and, if anything, more meticulous than that in which Lord Hurcomb was questioned for the British Transport Commission.

### *Implications*

The Report from the Select Committee on Nationalised Industries for the session 1952-53 (H.C. 235) makes several references to the work of the Public Accounts Committee and to a large extent it is the success of this Committee aided by the Comptroller and Auditor-General which has influenced current thinking. It is, therefore, interesting to have a closer look at the relations which have existed between the Public Accounts Committee and the commercial public corporations. This examination shows how important it is in all these delicate matters concerning the relations between a public corporation, the appropriate Minister, the Treasury, Parliament and its Committees, and the Comptroller and Auditor-General that the right precedents for future action should be made. Moreover, it should be noticed

that the proposed new Select Committee may well be given far wider powers of inquiry over the nationalised industries than either the Public Accounts Committee or the Estimates Committee have over Government Departments. In order not to encroach upon ministerial responsibility the Estimates Committee are specifically excluded from examining "the policy implied in the estimates." The recent Report suggested that the proposed Committee, in addition to taking over "the right which the Committee of Public Accounts at present has to examine the accounts of the Nationalised Industries," "should have power to get information as to the policy of the corporations." It should also "be empowered to extend its enquiries more widely than those which the Committee of Public Accounts makes into the Government Departments. It should have a regard, not merely to present and past financial probity and stability, but to future plans and programmes" and "make representations about such matters as seem to require consideration by the Boards or debate in the House."

In conclusion, it seems worth while once again to emphasise that "the public corporation system was . . . designed to give . . . public control . . . over major policy . . . commercial freedom of operation," and "no interference in management." "Too often," as Lord Reith said in April, 1950, "instead of the best of both worlds one gets the worst of both."

#### APPENDIX

##### *Scheme of Audit of the Accounts of the British Transport Commission Approved by the Minister of Transport*

The Minister of Transport in exercise of the powers conferred upon him by Section 94 of the Transport Act, 1947, and of all other powers him enabling, hereby approves the following Scheme of Audit :

2. The Auditors shall examine the books, accounts and records of the Commission and shall report :

(a) Whether they have obtained all the information and explanations which to the best of their knowledge and belief were necessary for the purposes of their audit ;

(b) Whether in their opinion proper books of account and other records in relation thereto have been kept by the Commission so far as appears from their examination of those books and records, and whether proper returns adequate for the purposes of their audit have been received from every Executive and department of the Commission, whose accounts have been examined and reported upon by such auditors or firms of auditors appointed by the Commission as are referred to in paragraph 3 of this scheme ; and

(c) (i) Whether the Balance Sheet and Revenue Account for the financial year, and any other Account required to be included in the Commission's Annual Statement of Accounts for that year are in agreement with the said books of account and records and with the returns examined and reported upon as aforesaid ; and (ii) whether in their

opinion and to the best of their information and according to the explanations given to them the said Balance Sheet gives a true and fair view of the state of the Commission's affairs at the end of the financial year and the said Revenue Account gives a true and fair view of the operating results and the profit or loss for the said year, and any other such Account gives a true and fair view of the matters to which it relates.

3. The Commission having expressed their intention of appointing so far as is practicable professional auditors or firms of auditors to audit on their behalf the books and records of the Executives and departments of the Commission, the Auditors are authorised, to the extent which is in their judgment reasonable, to rely for the purposes of their audit upon the audits carried out by any auditors or firms of auditors appointed by the Commission to carry out such audits, provided that :

(a) The Auditors approve the general lines of the work carried out by any such auditor or firm of auditors ;

(b) The Auditors are furnished by any such auditor or firm of auditors with answers to such enquiries and with such further information and explanations as they may require ; and

(c) The Commission comply with the provisions of paragraph 4 of this Scheme.

4. The Commission shall maintain proper systems of internal check and after consultation with the Auditors shall take steps to ensure the integration of the programmes of professional audit and the provision of such liaison as may be necessary between the Auditors and such other auditors or firms of auditors appointed by the Commission as are referred to in paragraph 3 of this Scheme.

Given under the Official Seal of the Minister of Transport this first day of July, 1948.

(Signed) ALFRED BARNES,  
The Minister of Transport.

[British Transport Commission, *Report and Accounts for 1948*, pp. 407-8.]

# INTRODUCTION TO FRENCH LOCAL GOVERNMENT

By BRIAN CHAPMAN

Pp. 238. Price 18s. (13/6 to members of the Institute of Public Administration ordering direct from the Institute).

THIS book is the first post-war study in either French or English of the institutions and law relating to French local government, and on the current practice of French local administration. It is essentially a study in political science and not in law, and therefore, although the basic laws governing local institutions are dealt with in some detail, the aim is to give a living picture of those institutions at work.

After a preliminary account of the local institutions and personalities to be encountered, there are special chapters devoted to local government finance, the administrative courts, tutelage, and the administration of Paris.

The book assumes no previous knowledge of the subject. It should be of the greatest interest to all those who have a professional or educational interest in local government. By comparison it illuminates our own attempts to solve the contemporary problem of combining central efficiency with local democracy. The book will be of obvious interest to all students of French government and of comparative public institutions.

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## Dual Control in the Youth Employment Service—A Rejoinder

By H. HEGINBOTHAM

*The author of the well-known book on the Youth Employment Service draws upon his wide local government experience to comment upon Mr. Frere's Haldane Essay in the Summer Issue of this Journal.*

THIS year's Haldane Essay rightly draws attention to the paramount importance of giving vocational advice to boys and girls so that they will choose and enter the type of employment best suited to their aptitudes and capacities. The long-term objective is, of course, that they may achieve maximum personal satisfaction in work and by so doing make their best contribution to the body politic.

Mr. Frere is not satisfied with the present Youth Employment Service, approximately 80 per cent. of which is provided by Local Education Authorities. His main arguments against the present system are the possibility of parochialism, the comparatively small salary payable to a Youth Employment Officer in a small area, and what he calls the growing unification of the Service whereby effective decisions are taken nationally. The first objection which the writer, as a practising Youth Employment Officer, has to his proposals, is that he is trying to raise standards by organisational changes instead of by technical improvement. The Youth Employment Service is an individual social service to pupils and their parents. A better service will come by better guidance techniques, better study of occupations, and improved liaison with schools and employers. These are matters which will not automatically be achieved by changes such as Mr. Frere proposes, but will be achieved, as the Central Youth Employment Executive knows, by appropriate instructions to Inspectors and by other means already at their disposal.

The changes suggested must, in addition, satisfy three main criteria before they can be seriously contemplated. These are that clearly demonstrable gains will accrue as a result of the transfer proposed, that such a transfer is in accord with the trend of public opinion, and that it would satisfy the theoretical principles which ought to govern the division of functions between local authorities and central government.

To demonstrate clear advantages is not possible without proving, in the first place, that improvements in the quality of service would follow and, secondly, that economies would be made. We can see clearly that the proposed plan would not give any financial saving, for Mr. Frere recognises that in order to run the Youth Employment Service more efficiently than it is at present his Ministry should *inter alia* recruit a special staff and establish separate local offices. But that is, in effect, what the Local Education Authorities now do, under adequate central control. There appears to be no great saving in terms of staff or premises, therefore, inherent in the proposals.

From the "quality" viewpoint, no suggestions are made to deal with the points raised earlier concerning technique. Quality in a service is affected by the attitude of those controlling it and by the qualifications and devotion of those doing the work. A true evaluation of the Haldane Essay proposals

would therefore involve a comparison of the record of the Ministry and of the Local Education Authorities since the first Youth Employment Bureau was established in Cambridge in 1907. Bearing in mind the suggestion\*, made by the Permanent Secretary of the Ministry of Labour and National Service, that this old controversy should be allowed to die a natural death, it is sufficient to mention that Local Education Authorities have been the pioneers in most of the technical advances—the proper place for psychological testing, films and film strips, careers booklets and careers exhibitions—to mention those more easily appreciated by those outside the Service. The discussions and experiments fostered by Local Education Authority Youth Employment Officers meeting together in their Association have immensely enriched the store of skill and knowledge of the individual Officer in the past forty years. Even on placing figures alone the Local Education Authorities have no need to fear an investigation.

Mr. Frere writes of the Ministry of Labour Youth Employment Officers : "These full-time Youth Employment Officers are the equivalent of the Local Education Authority Youth Employment Officer, but although they are in the Executive grade they are unlikely to possess academic qualifications appropriate to the work. The Ministry does not encourage its staff to think of themselves as social workers. . . ."

In a service where everything depends on the relationship between the Officer and the pupils he advises, it would have to be asked whether such an attitude is one which should be held by the authority to be put in complete executive control and the suggestion is indeed there that this attitude would have to be modified. Are the qualifications of the Officers as set out above adequate to meet the requirements of the job? Mr. Frere writes : "By contrast many Local Education Authority Youth Employment Officers will have obtained their appointments on the strength of degrees or diplomas in economics, psychology or social science, and these can be a great advantage to the Youth Employment Officer who spends a good deal of his time dealing with similarly qualified social workers, personnel managers and teachers." In this the Local Education Authorities seem to have the advantage. If it be urged that salaries paid by Local Education Authorities are too low to retain the right personnel, it should be remembered that salaries are, nowadays, the province of a National Joint Council. There is evidence that the central authority is not unaware of the position.

The essay mentions specialist staff. Leaving aside any discussion of whether it is an advantage to have such staff everywhere, the Chief Education Officer for Birmingham, in his speech to the Harrogate Conference of the National Association of Youth Employment Officers in May last, pointed out that Local Education Authorities could co-operate in providing such staff, being already very experienced in similar co-operative activity in the further education field.

It is no doubt for these reasons that Mr. Frere recognises that in order even to provide a Service of comparable quality far-reaching changes of staff policy and organisation would be required on the part of the Ministry of

\*In a speech at the National Association of Youth Employment Officers Conference, Brighton, 1946.

Labour and National Service if the Service were transferred to them. Mr. Frere's proposals do not seem to offer advantages worth the criticisms which they would arouse, especially in a quarter where harmonious co-operation is most essential in the Youth Employment Service, namely with all branches of the education service.

Does the trend of informed public opinion support the central theme of Mr. Frere's essay? I submit that this is not so and cite as evidence the actions of local councils.

Since 1948 the number of Local Education Authorities providing the Service has increased, as Mr. Frere showed, from a total of 59 local authorities to a total of 129 local authorities, an increase of over 100 per cent. In other words, 129 out of a total of 163 Local Education Authorities have a Youth Employment Service. Those which did not take over the Service are in the main predominantly rural counties. These County and County Borough Councils have decided, after local discussions held since the publication of the Ince Report in 1945, that this service is one that ought to be effectively controlled by local people. Their clearly expressed views and the similar opinions of the Associations of Local Authorities should command respect; the more so as taking the decision meant incurring 25 per cent. of the cost of the Service, whereas no cost falls on a Local Education Authority in whose area the Ministry of Labour and National Service provides the Service. No doubt in coming to their decisions, local councils asked themselves whether a service which affects so intimately the future life of each individual at one of the most formative stages should be under complete executive control by the central government. Such a concentration of power may well have been thought foreign to the British tradition and instinct.

When we consider the theory of the division of functions between local and central government as it affects this problem, it is worth remembering that the first Employment Exchanges were established by Local Authorities, and that Sir William Beveridge has written that the decision to set up Employment Exchanges independently of the Local Authorities was very largely influenced by the need to have machinery quickly ready for the insurance scheme. The exact words are: "Though not certain, however, the introduction of insurance was from the first highly probable, and no policy could be contemplated other than that of making at once a complete network of Exchanges."\*

There is no doubt that the local pupil and the local job constitute the majority of the work of a Youth Employment Officer. This can be demonstrated statistically if necessary, and provides what is probably the biggest single argument for local control.

It is a pity that the old charge of parochialism is revived, even if it is quoted from a "recent" P.E.P. report of which the date is not given. This charge is quite baseless and especially out of date after so long a period when labour of all kinds has been so scarce that, to quote a personnel manager in a moment of candour, "If they're warm, they're in." Looking after one's own boys and girls first is a virtue probably not confined only to the Youth Employment Officers of Local Education Authorities. The healthy statistics of placings "from other districts" and "in other districts" shown in the Annual Reports of Youth Employment Committees give objective evidence of the

\**Unemployment—A Problem of Industry*, p. 296.

absence of parochialism in this Service and bear out the writer's personal experiences both in "sending" and "receiving" areas.

Mr. Frere's interesting proposals must be dismissed because they do not offer advantages substantial enough to compensate for disturbing yet again a Service which has taken forty years to evolve a comfortable administrative structure; because they are out of harmony with the trend of informed public opinion and because the Service is fundamentally a local one; but above all because while purporting to offer a means to an improved Service they fail to address themselves to the real problem of improving quality by finding ways and means of putting improved technique at the disposal of all Youth Employment Officers and then ensuring that they are used.

## CORRESPONDENCE

DEAR SIR,

Mr. Frere, in his interesting essay on this subject, remarks:

... There seems to be no reason why the first years of employment should be regarded as fundamentally different from the rest...

I suggest that experienced Youth Employment Officers would disagree. The first years of employment do, in fact, differ fundamentally from subsequent years except in the sense that all years have twelve months. Indeed, normally, the very first year after school is decisive and even critical. In that year:

- (1) All young people need vocational guidance and most of them get it. This is not so in subsequent years.
- (2) Many young people have to be placed in their first jobs. Thereafter, quite properly, they fend for themselves as their experience grows.
- (3) It is relatively easy to change from one industry or pre-apprenticeship job to another. In subsequent years it is extremely difficult to do this.

The "industrial authority" on whose behalf Mr. Frere tilts his lance would, I am certain, agree that the first year is unique.

One object of social service is to teach people to stand on their own feet. The school-leaver cannot, in modern conditions, be expected to do this. But surely the adult worker does not have the same difficulties (in Mr. Frere's "fundamental" sense)? Ought we not to have weaned young workers from their school-leaving condition by the time they are eighteen? We must work for the development of maturity as the normal condition of the adult worker.

The resettlement of ex-servicemen after 1945 justified the "guidance" approach because in many respects the men were confronted by the difficulties which confront all school-leavers. But that is not the normal adult situation. If the Youth Employment Officer is qualified and competent the worker should not normally need guidance after his first year in employment—though he may occasionally need placing.

The whole conception of a "Youth" Employment Service depends on an assumed fundamental difference between the first year and subsequent years in industry.

JOHN S. COVENTRY.

Glasgow.  
30th July, 1953.

## Select Committee on Nationalised Industries

### Second Report

THE terms of reference of the Committee were: "to consider the present methods by which the House of Commons is informed of the affairs of the Nationalised Industries and to report what changes, having regard to the provisions laid down by Parliament in the relevant statutes, may be desirable in these methods." The Chairman was Mr. Ralph Assheton, Conservative Member for Blackburn, W., and a former Financial Secretary to the Treasury.

The Committee's first report dealt largely with the Parliamentary Question (H.C. 332-1, 1951-2, and see PUBLIC ADMINISTRATION, Spring, 1953, pp. 55-62). This second and apparently final report (H.C. 235, 1952-3) examines the possibilities of setting up some kind of Parliamentary Committee "as offering the natural additional means of informing Parliament of the affairs of these industries compatible with their statutory position and with constitutional propriety." The Committee took evidence from the Comptroller and Auditor-General, the Clerk to the Select Committee on Estimates, the Permanent Secretary to the Treasury, the Chairmen of two Public Corporations, the Chairman of Unilever Ltd., the Leader of the House of Commons, Mr. Herbert Morrison, Mr. Hugh Molson, and two leading accountants, Mr. T. B. Robson and Sir Harold Howitt. The evidence makes most interesting reading.

It is clear that the idea of some kind of Committee was in the air. As Mr. Hugh Molson put it: "In the past the House of Commons has always found it convenient, when confronted with a special problem, to appoint a committee. I think the reasons for that are threefold. First, in order that a few Members of Parliament may give intensive study to the problem; secondly, that there may be interrogation of witnesses and investigation of papers and maps; thirdly, in order that in the seclusion of a committee room there may be comparative freedom from political prejudices" (Q. 317). But apart from Mr. Molson and Captain Crookshank there was no strong body of evidence in favour of a Committee of the kind recommended.

Mr. Herbert Morrison preferred an *ad hoc* Committee of Inquiry "on the lines of the B.B.C. inquiry," i.e., a mixture "of competent business people who know the ropes of business organisation and management, and of ordinary good citizens, with a certain number of Parliamentarians . . . probably from both Houses." He thought this mixture "a better tribunal, functioning, . . . once in a matter of about seven years, than is a Select Committee of Parliament." He doubted whether a Select Committee "would necessarily be authoritative on matters of managerial or industrial efficiency, as they are on the estimates and accounts of Government Departments." He was also apprehensive that it would "create a rather unnerving prospect for these ordinary business men who are running, in the main, the publicly-owned industries. It might unnerve them and tend to develop in them a rather red-tapeish, unadventurous and conventionally civil service frame of mind. . . ." He coupled his proposal for a periodic inquiry with his other

well-known proposal for "a common efficiency unit." This would be "a common product of the Boards collectively, and could be used as industrial consultants. They would need to be first-class people who could look at obvious economic problems, costing problems, managerial problems, which had arisen and which the Board could not solve itself" (Q.384).

Lord Reith was strongly opposed to a Select Committee and indeed appeared opposed to any form of Committee. He again proposed that a Royal Commission should be set up to consider the position, independence and accountability of public corporations. He repeated several times, "I am frightened of a Select Committee." He thought that "the appointment of a select committee, *ad hoc*, on a Nationalised Industry was in effect a negation of what Parliament deliberately did in setting it up. Parliament passed a sort of self-denying ordinance taking from itself the right of direct interference, as with Government Departments. Unless there is to be a revision of attitude, I would have thought it was contrary to the principle . . . (to) set up a committee, whether of one House or both" (Q.593).

Sir Geoffrey Heyworth, Chairman of Unilever Ltd. and a part-time member of the National Coal Board, could not be drawn on the merits of a Select Committee. He said he found it extremely difficult to know what would be the best organisation that Parliament could set up to satisfy itself about whether the Coal Board was efficiently managed. Management involved making a large number of decisions. Decisions have to be taken and they have to be taken quickly in the light of all the facts known at the time. Three weeks later or sometimes an hour later the facts may be clear. "Therefore, if people came to looking at everything I did in a year, after the event, the shareholders would be horrified because they would see that some of those decisions were quite wrong in the light of after events. The mere fact therefore that I felt someone was looking over my shoulder all the time and was going to examine these things at any time later, the less I would be inclined to take a decision and the less decisive I would become—and pretty well certainly the less would be the results . . ." (Q. 689).

Sir Herbert Williams posed the problem of the Member of Parliament. He said: "The Coal Board, controlling nearly three-quarters of a million human beings and with great capital assets, appears to be responsible to no one. There are no shareholders. The Minister has certain limited powers. What we are trying to find out is in what way we as elected persons can satisfy those whom we represent. When difficulties arise how are we going to do it? With regard to questions, this looking over the shoulder, the phrase which you used, has entered our minds very much. You have no meeting of shareholders where the managing director can tell the shareholders what has happened during the year and answer questions. What would you do? We have got to try to satisfy the great mass of the population who grumble about this, that and the other. What method would you suggest whereby, without intimidating the people who run the business, in some way or another the representatives of the shareholders—I will put it that way; that is ourselves—can exercise some measure of interrogation, investigation and control? All I want to get is a method which will work."

Sir Geoffrey Heyworth replied: "I have thought about this thing. As I say I am not at all satisfied that I know the answers. What I have been



saying has been negative. I can tell you what not to do, at least what I think will make things worse. Your next question, quite rightly, is what should we do, and I can only give my reply to that in general terms in the first instance. The more you can make this into autonomous units I think the better chance there is for success. Autonomy and responsibility to Parliament quarrel, as we have pointed out before, but it does seem to me that in time this thing will develop, that the Coal Board will throw up the people that should be at the top of it—in time. In the meantime you have got to bridge that period. I am just one of those awkward people who believe that if you want to run most things it is better to have some idea of them rather than not. There are arguments for not having too much knowledge, but basically I think you do better by knowing and feeling because it is not a thing you do based on a figure, but the feeling you get through your skin that something is wrong. You only get that by living in the atmosphere and by growing up with it. Therefore, if you had a particular board of directors which really carried weight with the public in a hazy kind of way, I suppose that might do. You might then be in a position to say, 'We have abdicated to these people,' so to speak; I do not know; something along those lines I think is liable to produce the best chance of efficiency; it does not guarantee it; nothing does in this world" (Q. 754).

Lord Hurcomb, then still Chairman of the British Transport Commission, told the Committee that there was a very real problem ultimately of accountability to Parliament and he had been able to think of no better solution than some kind of Committee. He thought, however, that some new technique in the constitution of Committees themselves might be well worth considering. He doubted whether one Committee could deal with all the Nationalised Industries for there was not any comparability between the different industries nationalised. A Committee dealing with all the industries would not give the intimacy and special interest that a Committee dealing solely with the affairs of the British Transport Commission would have.

Instead he would prefer to see "something in the nature of a Standing Committee so that there would be continuity of *personnel*—a group of members who took a special and continuing interest in a particular activity, not merely because it was nationalised, but more from the actual interest that the committee has in the subject. If there was some sort of relationship, not of investigation or probing into financial detail, or in which challenge to its efficiency were the main object, but designed to get to know what the undertaking was doing, what it was at, what its policy was in major directions, being able to suggest to the Chairman of the body concerned what were the points in the Committee's own mind as to where the body might be giving insufficient weight to some trend of public opinion, or, perhaps, overlooking some important public aspect of its work, or not giving it enough emphasis—if one could establish that sort of relationship so that the organisation did not feel itself perpetually under the harrow, but was having an opportunity of explaining its policy and its endeavours, and answering any challenge there might be put to what it had done, including its financial results, I think in a broad way that would be extremely helpful to the organisation, and ought to go a long way towards informing the mind of Parliament. . . . One of the very greatest handicaps under which anyone

in my position suffers is that he gets no opportunity of stating his own case or of explaining what are his difficulties direct to Members of Parliament. It is true I meet a great many individually, or I may dine with some group or other from time to time, but one does not have the opportunity of putting before a Committee of Parliament, or a group of Members of Parliament, even the bare facts. It has been borne on me, if I may say so, without causing offence in any quarter, in the last eighteen months that a great many misapprehensions do exist, and perhaps decisions are taken on some supposition of fact which is not correct. A committee of this sort would, or ought to mean, on that aspect, as these matters get further away from the highly controversial, that a large number of Members of Parliament would have an opportunity of satisfying themselves and conveying, not by way of attack and of public speech, but by way of suggestion to the organisation, the points where they thought something might be going wrong, or, at any rate, would be worth looking into. That would be of great value. There is a particular direction in which I feel that a committee of that sort might help to make the way in which Parliament uses its time more economical. I think everyone who has listened to debates on annual reports, and so on, comes away with the impression that a great part of the evening has gone on comparatively trivial details, or just an interchange of pleasantries between the two sides. If there were a committee of this sort which could examine the annual report of the Commission, or any other report they might make about special matters, and could report to the House and say, 'Here are major matters which we have considered, and which we think deserve the attention of the House' it might guide discussion into a more useful channel" (Q. 510).

He did not dissent from the proposal for a periodical inquiry provided it had a well-directed reference, but he did not think that it would have the other advantages of keeping Parliament constantly informed, or of enabling the organisation to explain its point of view as it goes along and hearing in a non-controversial way suggestions and well-founded criticisms (Q. 541). He was, however, against some external group of efficiency auditors. "I do not believe that that kind of expertise, even if it exists, can be brought to bear in any useful or measurable period of time upon such a vast range of problems" (Q. 509). But it might be valuable for the undertaking itself to use efficiency auditors (Q. 535).

Sir Edward Bridges (Permanent Secretary to the Treasury) was "not awfully happy with a periodic review on a grand scale." Such a review might easily take eighteen months, and for a year before and after the review the affairs of the Board and its capacity to make major decisions would be affected so that "the process of awaiting the harrow, of being under the harrow and then of emerging from it really occupies a very considerable part of the period between two reviews." He agreed, however, that there should be reviews, but thought there might be various possible ways of carrying them out, not just one big major review periodically. Recent Civil Service experience, for example, had shown the advantage of reviews carried out by a group partly of non-civil servants and partly of civil servants from the Department and from other Departments. He envisaged the Select Committee not carrying out its own inquiries ("inquiries into detailed matters of organisation . . . are not best carried out by the rather formal

#### SELECT COMMITTEE ON NATIONALISED INDUSTRIES

method which a Committee of this kind is bound to employ") (Q. 848), but influencing the appointment of inquiries and satisfying themselves that measures to ensure efficiency were being carried out. He imagined that the Committee would be concerned with all the Nationalised Industries, but would probably find it best to concentrate on one or two each year. A senior Treasury officer could be attached to the Committee (on the model of the former arrangements with the Estimates Committee) and representatives of the Department concerned would be present.

The Committee summarised their recommendations as follows :

(a) There should be appointed a Committee of the House of Commons by Standing Order, to examine the Nationalised Industries, with power to send for persons, papers and records, power to set up sub-committees, and to report from time to time ;

(b) The Committee should direct their attention to the published Reports and Accounts, and to obtaining further information as to the general policy and practice of the Nationalised Industries established by Statute, whose controlling Boards are wholly nominated by Ministers of the Crown, and whose annual receipts are not wholly derived from moneys provided by Parliament or advanced from the Exchequer ;

(c) The object of the Committee should be that of informing Parliament about the aims, activities and problems of the Corporations and not of controlling their work ;

(d) The staff of the Committee should include an officer of the status of the Comptroller and Auditor-General who should be an officer of the House of Commons, with high administrative experience ; at least one professional accountant, and such other staff as required ;

(e) The statutory auditors of the corporations shall, in preparing their annual reports, give such information in addition to that now provided by them as may be of use to the Committee and of interest to Parliament."

#### *Comments*

The crux of the problem lies in the character of the work of the proposed new Select Committee. The Committee in their report give the following indications :

(i) The new Select Committee would take over from the Public Accounts Committee the right to examine the published accounts and auditors' reports of the Nationalised Industries (i.e., those Corporations which are conducted on a commercial basis and whose annual receipts are derived from services rendered or the goods they supply). The Select Committee would be entitled to make representations "about such matters as seem to require consideration by the Boards or debate in the House."

(ii) The new Committee should, however, be able to extend its enquiries much more widely than does the P.A.C. into Government Departments. "It should have a regard, not merely to present and past financial probity and stability, but to future plans and programmes."

(iii) The new Committee should have power to get information about the policy of the Boards. But it would have no need to investigate any decision which is the result of a direction from the responsible Minister and for which he is responsible to Parliament and any matters which are normally decided by collective bargaining should be avoided. "... the emphasis of the work of the Committee should be not only upon finance but also upon general lines of policy ... the Committee should avoid the investigation of matters which fall into the category of detailed administration."

Though it now looks as though there is to be a Select Committee it is by no means clear from the report just how far the Committee will be able to go. Much will therefore depend on the precise terms of reference, the first Chairman and the first chief officer. Some of the major points of difficulty that come to mind are :

(i) What will be the relations between the Committee and the appropriate Minister? It is suggested that Ministerial directives are not to be investigated, but there is a very wide field of Ministerial power outside this action, e.g., in respect of the programme of capital development. Is the Committee to concern itself only with the Board's actions or also to cover the Minister's (including lack of action)?

(ii) What is to be the basis of the Committee enquiries? Is it to be the annual report and accounts or will it be able to take up any matter at any time? A Committee might receive the report and accounts, ask questions to elucidate them, and then call the attention of Parliament to a few points of outstanding importance. Or it might regard itself as the general agency for continuous Parliamentary control.

(iii) This raises the third big question—is the Committee to attempt an annual enquiry into efficiency and if so what tests is it to use? The origin of the demand for some kind of Committee was that Parliament wished to assure itself that these major industries were efficient. The report makes the startling suggestion that "having particular regard to the duty of the House of Commons to safeguard the interests of consumers, each Corporation should publish with its annual report to Parliament the best estimate it can make of the percentage increase or decrease since the date of its establishment in the average cost to the consumer of its products or services, taken as a whole. ... This would enable the Committee to form some opinion, though not a conclusive one, on the efficiency of the industry, as it could be compared with the general cost of living index" (p. ix). Taking this index, however crude, supposing the average cost per ton mile of all goods carried on the railways had gone up by 30 per cent. in the period as against say 20 per cent. in the cost of living, how is the Committee now to proceed? Presumably they will ask for an explanation and examine the Chairman of the Board. But where do they stop and how much detail do they go into? Will the new senior official (roughly of the status of the C. and A.-G.), the one professional accountant and "such other staff as the Committee may deem useful" be conducting a detailed inquiry on the Committee's behalf? And after this examination will the Committee merely give the facts and avoid expression of opinion or will it make a series of recommendations and criticisms?

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(iv) Can such a Committee operate in such a way as to avoid giving the impression that it or its chief officer are constantly looking over the shoulder of the management ready to criticise any apparent mistake or error of judgment?

(v) Finally, can the inquiries be conducted in a non-party atmosphere? The Public Accounts Committee is perhaps a misleading model for it has developed a non-party approach and it has been helped by largely having to handle matters which are not the subject of party controversy. But have the Nationalised Industries yet passed out of the party arena? Can the political atmosphere that has characterised the Parliamentary debates be kept out of the Committee's proceedings? Will the Chairmen when they give evidence find themselves treading the tightrope of having to avoid giving offence to either of the two major parties, both of whom are looking for political ammunition for their next electoral campaign?

D. N. CHESTER.

#### ROYAL COMMISSION ON CIVIL SERVICE PAY AND CONDITIONS

ON 30th July, shortly before Parliament rose for the Summer Recess, the Chancellor of the Exchequer announced to the House of Commons the setting up of a Royal Commission under the chairmanship of Sir Raymond Priestley, until recently Vice-Chancellor of Birmingham University. The names of the other members of the Commission have not yet been made known. Its terms of reference are: "To consider and to make recommendations on certain questions concerning conditions of service of civil servants within the ambit of the Civil Service National Whitley Council, viz.:

(a) Whether any changes are desirable in the principles which should govern pay; or in the rates of pay at present in force for the main categories—bearing in mind in this connection the need for a suitable relationship between the pay of those categories;

(b) Whether any changes are desirable in the hours of work, arrangements for overtime and remuneration for extra duty, and annual leave allowances;

(c) Whether any changes are desirable within the framework of the existing superannuation scheme.

In reply to questions from M.P.s, the Chancellor explained that such a review had been found necessary about every 20 years and that it was now 20 years since the last (Tomlin) Commission sat. What was required, in his view, was a review of the pay structure of the Civil Service against the background of the modern society in which they have to work; and a re-examination of the principles on which their pay should be regulated.

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## CORONA

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## Denationalisation of Iron and Steel

*Although the Editor does not offer this as an authoritative summary, care has been expended on endeavouring to secure as much accuracy as is consistent with a short general account. It is not exhaustive.*

ON 13th July last the Iron and Steel Act, 1953, came into force. The Iron and Steel Corporation of Great Britain, set up by the Iron and Steel Act, 1949, to own and control the principal iron and steel companies, ceased on that day to have any powers or duties other than the production of a final set of its own accounts. Two new bodies received on the same day statutory power to operate—the Iron and Steel Holding and Realisation Agency, a temporary body to which were transferred all the securities of iron and steel companies formerly owned by the Corporation, with a mandate to return the undertakings to private ownership; and the Iron and Steel Board, a permanent body with a mandate to exercise public supervision over the industry.

To understand the effect of the changes it is necessary to glance at the background of the industry both before and under nationalisation.

The iron and steel industry of Great Britain is a complex structure. The central processes are the making of iron by smelting ore with coke (and often with limestone and other materials) in blast-furnaces, and the making of steel by refining iron and scrap steel in melting-furnaces.

Companies operating these processes have extended their activities in two directions. Some, in order to secure raw material supplies, have acquired ore mines, collieries, limestone quarries, and interests in brickworks to supply the linings for their furnaces. Others have developed rolling mills and other means of handling, shaping and fabricating the steel ingots they produce, and have undertaken a wide range of engineering activities, in order to secure the most profitable outlet for their steel. Some of the bigger companies have extended in both directions, and cover activities ranging from ore mining at one end of the scale to the production of such widely varied items as steel bridges, piano-wire or watch-springs at the other.

Few companies, and only small ones, confine themselves solely to the earlier stages of manufacture. Many companies specialise in the production of certain types of finished or semi-finished articles such as sheets, tinplate, tubes, ships' plates, and armament products.

It must be remembered, too, that there are many varieties of steel, and various types of iron are required to make them. A ton of ordinary mild steel may cost only £26, but there are highly specialised types of steel with exceptional qualities which may cost £1,000 a ton.

Moreover, only part of the iron output of the country is used in the manufacture of steel: large quantities of iron are absorbed by the iron-founding industry.

When, therefore, it was decided to nationalise the iron and steel industry, the selection of a suitable method presented a complex problem. To nationalise every company which made iron or steel would have cast the net too wide: to nationalise certain processes alone would have dismembered some companies in a harmful manner.

## THE IRON AND STEEL ACT, 1949

Broadly this Act operated on the following principles :

(a) The securities of companies making iron and steel were vested in the ownership of a public Corporation, subject to the operation of (b) and (c).

(b) The tests for inclusion in (a) were :

(i) The conduct of any process earlier than cold rolling of steel (i.e., ore mining, making of iron, making of steel, shaping of steel by hot rolling) ; and

(ii) A large enough tonnage of output in each year, viz : iron ore 50,000 tons ; iron, steel and hot rolled products 20,000 tons in each case (smaller outputs were controlled by licensing).

(c) Where a company also conducted manufacturing activities subsequent to those in (b)—e.g., cold rolling, wire drawing, etc.—the whole undertaking, including those activities, was brought into public ownership, unless the company desired to separate those activities and to vest them in a different (privately-owned) company and could satisfy the Minister of Supply that this separation could effectively and properly take place.

The net effect of applying these principles, when the industry vested in the Iron and Steel Corporation of Great Britain on 15th February, 1951, was to nationalise, on the average, 92 per cent. of ore production, iron and steel production, and output of hot-rolled products.

### *Provisions of the 1949 Act*

The Iron and Steel Corporation of Great Britain was established as a public authority and a body corporate with perpetual succession and a common seal (S.1 and 1st Schedule). It consisted of a chairman and not less than six or more than ten other members, all appointed by the Minister of Supply.

The Corporation's general duties (S.3) included promoting the efficient and economical supply of the products of the iron and steel activities (i.e., ore mining, making iron, making steel, and shaping steel by hot rolling), securing the availability of these products in satisfactory quantities, types, qualities and sizes and at satisfactory prices, furthering the public interest in all respects, avoiding undue preference or unfair discrimination by publicly-owned companies, and decentralising as much as possible.

The Corporation had also to consult with the National Coal Board, The Gas Council and any Area Gas Board concerned about any programme of capital development or reorganisation of activities relating to carbonisation (S.47).

The Corporation was made liable to the ordinary law of the land (S.2), including the incidence of taxation (S.9) ; and liable also to meet any judgement debt of any publicly-owned company (S.49).

## DENATIONALISATION OF IRON AND STEEL

The Corporation had power to exercise all the rights conferred by the holding of interests in companies, these being exercised in the same manner as under the Companies Act, 1948, as modified by the 9th Schedule to the Iron and Steel Act, 1949. The Corporation's powers also included the conduct of research, the provision of common services for publicly-owned companies, and the carrying on, with the Minister's consent, of any activity which a publicly-owned company could carry on (S.2).

Ninety-six companies were originally specified in the 3rd Schedule to the Act as having their securities vested in the Corporation (S.11), but, where the shares of any company were already held by a publicly-owned company, those shares did not vest in the Corporation, as their control was secured through the holding of the parent company. The number of companies appearing in the 3rd Schedule, as finally settled after giving effect to amendments under various sections of the Act, was 80. In exchange for the shares vested in the Corporation, British Iron and Steel Stock was issued to the former shareholders as compensation to an amount determined by the Minister of Supply.

On the financial side, the Corporation was given power to borrow money and to lend to publicly-owned companies (Ss. 2 and 32). It was also placed under a duty to pay its way on revenue account, taking one year with another (S.31), to keep proper accounts and to prepare annual accounts for submission to the Minister of Supply and for publication (S.38), and to create reserves for redemption of British Iron and Steel Stock and for other purposes. The auditors of the Corporation were appointed by the Minister of Supply (S.38).

The Minister of Supply was given power to issue directions to the Corporation about the exercise of its functions in relation to matters appearing to him to affect the national interest (S.4) and on certain specific matters (S.6). He could also direct the Corporation as to the establishment of the general reserve (S.35), as to the form of accounts and periodical statistics, and as to the form and publication of returns (S.38).

So far as Parliament was concerned, the Minister of Supply was obliged to lay before it a statement of the remuneration of members of the Corporation and of any variation therein (S.1), a copy of the Corporation's annual report (S.4), and copies of their annual accounts and the auditors' report thereon (S.38). The annual accounts and the auditors' report thereon were to be made available to the public at a reasonable price (S.38).

The Act also set up a Consumers' Council to represent the interests of the consumers of products supplied by the Corporation's companies (S.6), and an Arbitration Tribunal to deal with disputes arising from the Act (Ss.43 and 46).

There were two matters over which the Corporation was not given statutory control :

(a) The importation of raw materials for iron and steel making, which remained with the British Iron and Steel Corporation Ltd., a company whose shares are owned by the British Iron and Steel Federation.

(b) The fixing of maximum prices of steel products, which remained a function of the Minister of Supply.

## THE IRON AND STEEL ACT, 1953

The main principles underlying this Act appear to be :

(a) Ownership of the publicly-owned companies is transferred from a Corporation intended to administer them permanently to a temporary Holding and Realisation Agency whose duty it is to return them to private ownership ; and

(b) Public supervision of the iron and steel industry is widened beyond the section which was under the influence of the Iron and Steel Corporation of Great Britain, and entrusted to an Iron and Steel Board which has nothing to do with ownership of companies.

### *Provisions of the 1953 Act*

The Iron and Steel Act, 1949, is repealed with effect from 13th July, 1953, the date fixed as "the appointed day" by the Minister of Supply. On the same day the Iron and Steel Corporation of Great Britain was shorn of its powers and was to remain in existence only for one month, or such longer period as the Minister of Supply might by order determine, for the limited purpose of preparing and submitting its final accounts up to the appointed day (S.1 and 1st Schedule).

*Denationalisation of the Publicly-Owned Companies.*—The Iron and Steel Holding and Realisation Agency, consisting of a chairman and from three to six other members appointed by the Treasury, is established as a body corporate with perpetual succession and a common seal (S.18 and 2nd Schedule). On the appointed day all securities held by the Corporation were transferred to this Agency (S.1).

The Agency's main duties are :

(a) To secure the return to private ownership of the undertakings which on the appointed day were owned by subsidiaries of the Agency.

(b) To carry out this duty in a manner approved by the Treasury, and so as to ensure that the consideration obtained from the disposal of the assets is financially adequate.

(c) Meanwhile to exercise its powers as a holding company to promote the efficient direction of its subsidiaries (S.18(1)).

The Agency's powers include power to sell or otherwise dispose of any securities vested in it and to acquire any securities of its subsidiaries ; and power to form companies for the purpose of selling, disposing, leasing or hiring to those companies any assets or securities of the Agency's subsidiaries. The Agency also has power to exercise all the rights conferred by the holding of securities in its companies ; and in particular may exercise its powers as a holding company for the purpose of reorganising the capital of any of its subsidiaries, selling, disposing, leasing or hiring any assets of any subsidiary, or winding it up or amalgamating it with any other company (S.19).

The exercise of these powers is subject to direction by the appropriate department—i.e., the Treasury, except where the Treasury decides that the appropriate department should be the Ministry of Supply. The Agency is

also required to consult with the Iron and Steel Board before carrying out any grouping or re-grouping of the undertakings of its subsidiaries (S.19(7)).

On the financial side, the Agency has power to borrow with the consent of the Treasury and subject to a limit of £10 million (S.20). The Treasury is to establish an Iron and Steel Realisation Account into which are to be paid all moneys accruing to the Agency, except such sums as the Treasury may allow the Agency to retain for the purpose of its functions under the Act. Any excess of receipts over out-goings on revenue account are to be paid into the Exchequer, and the Treasury may, from time to time, issue to the Agency out of the Iron and Steel Realisation Account such sums as the Agency requires. The Iron and Steel Realisation Account may be replenished from the Consolidated Fund to an extent not exceeding £150 million, if the Treasury finds it necessary.

The Agency is to keep proper accounts and to send them with a report on the performance of its functions annually to the Treasury. These must be laid by the Treasury before Parliament. The Agency's auditors are appointed by the Treasury (S.23).

On the appointed day the Treasury took over from the Corporation all rights and liabilities outstanding under the terms of issue of 3½% British Iron and Steel Stock. This stock has been renamed "3½% Treasury Stock 1979/1981" (S.21).

When it appears to the Treasury that the Agency's duty of transferring the industry to private ownership has been substantially discharged, the Treasury may by order dissolve the Agency (S.25).

*Supervision of the Iron and Steel Industry.*—The Iron and Steel Board consists of a chairman and from nine to fourteen other members, all appointed by the Minister of Supply. The Board is a body corporate with perpetual succession and a common seal (S.2 and 2nd Schedule).

The Minister of Supply is obliged to lay before Parliament a statement of the remuneration of members of the Board and of any variation therein (S.2(9)).

The principal duty of the Board is to exercise a general supervision over the iron and steel industry, with a view to promoting the efficient, economic and adequate supply under competitive conditions of iron and steel products. It is, in particular, to keep under review productive capacity, arrangements for procuring and distributing raw materials and fuel, prices, research, safety, health, welfare, and arrangements for joint consultation (S.3). The range of industry to be supervised is specified in the 3rd Schedule to the Act and covers: production of iron ore, production of iron, production of steel, casting of iron and steel, hot or cold rolling, hot or cold forging (with certain exceptions), production of bright bars, of hot finished tubes or of hot finished pipes, and production of tinplate or of terneplate.

Another duty of the Board is to consult with iron and steel producers and other appropriate persons with the object of securing the provision and use of iron and steel production facilities, and in so doing to have regard to any such considerations relating to employment in Great Britain or otherwise affecting the national interest as the Minister of Supply may ask it to regard (S.5). Where the facilities relate to carbonisation, the Board must also consult the National Coal Board, The Gas Council and any Area Gas Board concerned (S.7).

It is also the duty of the Board, if after consultation with appropriate organisations it is satisfied that importation or distribution of raw materials should be undertaken as a common service and that satisfactory arrangements do not exist, to make arrangements for the purpose (S.11).

It is further required, after similar consultation, to take steps to promote research and the training and education of employees, so far as existing arrangements appear to be inadequate (S.12).

The Board's powers include the following :

(a) After consultation with iron and steel producers and representative organisations, to require any person, intending to provide in Great Britain additional production facilities of a kind defined by notice, to submit particulars to the Board and obtain its consent before proceeding. The Board must refrain from exercising this power in cases which would be unlikely substantially to affect the efficient and economic development of production facilities in Great Britain, and may not refuse consent in any case where the proposal would not seriously prejudice such development (S.6).

(b) To determine the maximum prices of iron and steel products (S.8), but the Minister may give directions to the Board about its exercise of this power if he thinks it necessary in the national interest and consistent with promoting the efficient, economic and adequate supply of iron and steel products (S.10).

(c) To require by notice in writing the provision by iron and steel producers of information and forecasts reasonably required by the Board for the purposes of its functions (S.15).

(d) To seek from the courts an injunction if necessary to enforce the Board's decisions under (a) or (b) above (S.29).

On the financial side the Board :

(i) Must prepare a scheme for providing funds for its expenditure by means of contributions by iron and steel producers, the scheme to be submitted to the Minister, who may confirm it after considering objections (S.13).

(ii) May borrow temporarily such sums as it requires, and in necessary cases the Treasury may guarantee repayment of, and interest on, money lent to the Board ; the Board has power to invest spare moneys, but not in the iron and steel industry (S.14).

The Board is to keep proper accounts and to send them with a report on the performance of its functions annually to the Minister of Supply. These must be laid by the Minister before Parliament, and the accounts are to be published by the Board at a reasonable price. The Board is also to furnish special reports to the Minister of Supply on the future development of the industry, and the Minister must lay these reports before Parliament. The Board is to publish such periodical statistics and reports relating to iron and steel products as it considers expedient (S.16).

The Minister of Supply is placed under a duty to keep the Iron and Steel Board informed about the proceedings of the European Coal and Steel Community, so far as he knows about them and they are relevant to the



## DENATIONALISATION OF IRON AND STEEL

Board's duties. The Board is to advise the Minister on matters referred to it concerning the relationship between the United Kingdom and the Community (S.4).

The Act also provides that nothing in it expressly authorises the prevalence of conditions to which the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948, applies (S.27).

It also declares that neither the Agency nor the Board is to be regarded as the servant or agent of the Crown, and except as expressly provided neither is deemed to be exempt from taxation (S.28).

*Public and Private Ownership.*—Under the 1949 Act a company was "publicly-owned" if it was a member of a group of bodies corporate of which (i) every body corporate was either the Iron and Steel Corporation of Great Britain or one of its subsidiaries, and (ii) every member of every company in the group was either the Corporation or another company in the group or a nominee of the Corporation or a company in the group.

Under the 1953 Act the undertaking of any company is in "private ownership" when it is beneficially owned by a body of whom neither the securities nor the securities of its holding company are held to a substantial extent by or on behalf of the Crown, the Iron and Steel Holding and Realisation Agency or any public authority, or by any subsidiary of any of them.

# AUTONOMY AND DELEGATION IN COUNTY GOVERNMENT

EMMELINE W. COHEN

*Foreword by* PROFESSOR WILLIAM A. ROBSON

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Pp. 81. Price 6s. (4s. 6d. to members of the Institute.)

One of the most noteworthy developments of English local government in recent years is the administrative machinery established under the Education Act, 1944, and the National Health Service Act, 1946. New *ad hoc* bodies, often covering the area of several existing local authorities, have been set up and have received delegated powers from the county councils, which are now ultimately responsible for these services. These new bodies were designed to ensure that local interest and participation could still play their part in the administration and development of services transferred from the district councils to county councils.

Although students of local government have for some time recognised the importance of these developments, very little factual information was available concerning the actual working of this form of delegation and the practical problems to which it gives rise. Miss Cohen's book is based on a field survey of the functioning in many parts of the country of delegation under the Education Act, 1944, and the National Health Service Act, 1946. It shows clearly the difficulties to which the new administrative devices give rise and how these problems are being overcome in those areas where goodwill and a spirit of co-operation exist between the county council and the body to which it has delegated certain of its powers.

INSTITUTE OF PUBLIC ADMINISTRATION  
HALDANE HOUSE

76A, NEW CAVENDISH STREET, LONDON, W.1

## Reorganisation of Local Government

*Observations of the Reorganisation of Local Government Sub-Committee\* of the General Purposes Committee of the Association of Municipal Corporations upon the Report and Recommendations of Representatives of the County Councils Association, Urban District Councils Association, Rural District Councils Association, and National Association of Parish Councils, published on the 28th March, 1953. (See "Public Administration," Summer 1953, p. 177.)*

1. Discussions with representatives of the three Associations of local authorities were initiated by the Association of Municipal Corporations in 1943 and have proceeded intermittently ever since.

2. While these have been taking place, a number of things have happened which affect local government. We make a brief reference to those of importance :

(a) The publication of a White Paper on Local Government in England and Wales during the Period of Reconstruction, dated 3rd January, 1945 (Cmd. 6579). This outlined the Government's proposals for amending the machinery of the Local Government Act, 1933, relating to the adjustments of status, boundaries and areas of the several classes of local authorities (*Municipal Review*, 1945, pp. 101 and 108).

(b) Local Government (Boundary Commission) Act, 1945. This provided for the establishment of the L.G. Boundary Commission, charged with powers for the review and alteration of local government areas.

(c) Local Government (Boundary Commission) Regulations, 1945 (S.R. & O. 1945, No. 1569), made under s. 1 (3) of the L.G. (Boundary Commission) Act, 1945. These prescribed general principles for the guidance of the Commissioners.

(d) Reports of the L.G. Boundary Commission for the years 1946 (H. of C. Paper No. 82, Session 1946-47), 1947 (H. of C. Paper No. 86, Session 1947-48), and 1948 (H. of C. Paper No. 150, Session 1948-49) respectively.

(e) Local Government Boundary Commission (Dissolution) Act, 1949. This dissolved the Boundary Commission set up by the Act of 1945 ((b) above).

3. Many changes in the functions of local authorities have taken place during this same period, a list of which is printed in Appendix I hereto.

\*The Sub-Committee consists of :

Alderman Sir Miles Mitchell, K.B.E., M.A., J.P. (Manchester) (Chairman), Alderman Sir W. J. Grimshaw, J.P. (Hornsey), Alderman R. Charlton, M.B.E., J.P. (Andover), Alderman L. G. H. Alldridge, C.B.E., J.P. (Birmingham), Alderman W. L. Raynes, O.B.E., M.A. (Cambridge), Alderman J. W. F. Hill, Litt.D., LL.M. (Lincoln), Councillor H. B. Jennings, J.P. (Penryn), Alderman H. A. Hind, J.P. (Derby); the town clerks of Chesterfield, Salford, Stourbridge, Tunbridge Wells, and Wolverhampton; the City Treasurer of Kingston upon Hull; and Sir James Lythgoe, C.B.E. (formerly City Treasurer of Manchester).

# PUBLIC ADMINISTRATION

4. The discussions with representatives of the other Associations have been on a confidential basis. Our comments, therefore, are limited to the memorandum which their representatives placed before the representatives of this Association on the 12th March, 1953 (reprinted in Appendices II and III hereto), and to the general principles raised thereby.

5. This document (which we shall refer to as "the county memorandum") is sponsored by representatives of the County Councils Association, the Urban District Councils Association and the Rural District Councils Association, and has the support of the National Association of Parish Councils. We were informed that the representatives of these Associations proposed to send the document to their constituent bodies for approval. We informed them that there were a number of points which we could not accept, but that we wished to bring the county memorandum before the Council of this Association for their decision as to its acceptance or rejection. We also agreed that this Association would not discuss the memorandum until it had been adopted by the other Associations. We understand that the County Councils Association will consider the county memorandum in July, and the Urban District Councils Association and the Rural District Councils Association respectively in June.

6. We would first draw attention to the distribution of population among the various classes of local authorities now existing in England and Wales :

County boroughs .. .. .	13,658,240
Non-county boroughs .. .. .	9,708,873
<hr/>	
Total county boroughs and non-county boroughs ..	23,367,113
Metropolitan boroughs .. .. .	3,252,800
<hr/>	
Total—all types of borough .. .. .	26,619,913
Urban and rural districts in counties .. .. .	17,180,087
<hr/>	
Total estimated population, June, 1951 .. .. .	43,800,000

It will be noted that the total population of all the boroughs, i.e., the county, non-county, and metropolitan boroughs, amounts to 26,619,913.

7. We cannot recommend the contents of the county memorandum as a satisfactory solution of the difficulties of local government. It does no more than offer suggestions for the readjustment of *existing* areas to meet the requirements of *existing* functions and perpetuates the frustrations of the present system. It gives no consideration to what functions an elected council should perform and what a suitable unit of local government should be to perform those functions. It seeks to maintain the existing unsatisfactory structure of county government and the continuance of areas which, in many cases, were constituted to meet conditions existing over fifty years ago. We must also record that the growing complications and disharmony arising from the forms of delegation and devolution of powers now in use have, over the last

## REORGANISATION OF LOCAL GOVERNMENT

few years, helped to produce a feeling of frustration without parallel in the history of local government. For ease of reference we have reprinted in italics the headings of the appendix to the county memorandum in Appendix III hereto with our comments set out under each paragraph. We have not attempted to deal with all the points which might have been raised.

8. We consider that any scheme of reorganisation which is to have enduring value must meet two basic needs, namely :

(i) That the local government area is suitable for the administration of the functions which the local authority is called upon to perform.

(ii) That the financial resources are adequate to enable those functions to be performed without undue reliance upon Government grants with consequential central supervision.

This means that functions, areas and finance must be considered at one and the same time and, in our view, it is quite useless to consider one without the others. Furthermore, there are functions administered by central Government departments, either directly or through nominated boards, which should be administered by locally elected authorities and there are also functions administered by counties which, in our view, should be administered by local authorities in more intimate touch with the electorate. We also feel that the problem of local authority finance includes not only the question of resources, but also the relationship between central and local government.

9. Any proposals for the reorganisation of local government should also simplify the existing structure. The county memorandum, in our view, does just the opposite, as a reference to Paras. 8, 9, 12 and 20 on the subject of delegation and county council supervision makes clear.

10. The county memorandum also seeks to perpetuate the existing artificial severance of urban and rural communities. We do not believe that, under present-day conditions, any scheme of reorganisation which continues this unsatisfactory position is likely to succeed. It is often said that the combination of rural and urban areas would encourage the urban sprawl. To say this is to ignore the existence of planning powers which can and should prevent such a result. The association of those who live in rural and urban areas and who have a community of interest is, in our view, essential in the best interests of local self-government.

11. The conferences which have taken place with representatives of the other Associations have served to strengthen rather than otherwise our conviction that the broad lines of the solution propounded by this Association in their 1942 report (see Appendix IV hereto) and summarised in our comment on Para. 1 of the appendix to the county memorandum (see Appendix I hereto) are, in all essentials, still the most satisfactory basis of reform. This solution was originally put forward to render unnecessary many of the changes made since 1946, which have resulted in the loss of functions by local authorities. Time and experience have, in our view, shown many of those changes to be mistaken and the views expressed in 1942 are applicable today as a sound

basis for the changes required to enable restoration to be made of those services which ought to be under the control of elected local councils.

12. We do not believe that the conurbations present such a serious difficulty as is sometimes suggested. Community of local interest is most marked in many of the areas of large population. We see no reason why the same basic principles which are applied to the rest of the country should not be applied to those areas with such limited modifications as the extent of the areas may make necessary in regard to certain functions.

13. Our discussions with the representatives of the other Associations have confirmed us in the view that Parliament must decide the functions to be performed by local government, settle the principles upon which functions are to be allocated, make the financial resources available and set up the machinery to settle the boundary problems which may result. Decisions on these matters can only be made by Parliament.

14. We are disturbed at the continued delay. Mr. Harold Macmillan, the Minister of Housing and Local Government, on the 26th March, 1953, in the Second Reading debate on the Bill promoted by the Ilford Corporation for county borough powers, stated :

... In 1953 we shall not introduce a Bill to deal with the reorganisation of local government. We shall not do so in 1954. That leads one to the prospect which the right hon. gentleman held out that on a non-party and agreed basis, balancing our small majority, and even exploiting it for the very purpose of getting agreement which otherwise might not be so easy, we might introduce a local government reorganisation measure in 1955. . . .

This does not signify that sense of urgency which we regard as essential. All political parties pay tribute to the value of local government and its importance in the democratic government of this country, but for the last twenty years, at least, nothing has been done to reorganise local government to suit modern conditions. We know that the Association would at all times be willing to render assistance and give the benefit of the experience of its members to the Government of the day in regard to proposals for the reorganisation of local government, but it is our opinion that there is little more that local authorities can do in this matter until such time as the Government are prepared to deal with the fundamental issues to which we have referred.

15. For the reasons given in Para. 5 above, the county memorandum cannot be discussed by the Council of the Association of Municipal Corporations for some time. In the meantime, we consider it desirable to make known to the members of the Association the views of the Sub-Committee. It must, however, be understood that these have not yet been placed before or received the approval of the General Purposes Committee or the Council of the Association. We may also find it necessary to submit further observations at a later date.



# REORGANISATION OF LOCAL GOVERNMENT

## APPENDIX I

Function	Act	To whom transferred
<i>Functions transferred from County Boroughs and Non-County Boroughs</i>		
Electricity Supply .. ..	Electricity Act, 1947 ..	Electricity Boards.
Gas Supply .. ..	Gas Act, 1948 .. ..	Gas Boards.
Hospitals (including Tuberculosis and Infectious Diseases) and Maternity Homes	National Health Service Act, 1946	Regional Hospital Boards.
Valuation for Rating ..		
River Pollution .. ..	L.G. Act, 1948 .. ..	Central Government.
Dairy Farms—Registration..	Rivers (Prevention of Pollution) Act, 1951	River Boards.
	Food and Drugs (Milk and Dairies) Act, 1944	Central Government.

### *Functions transferred from County Boroughs*

Relief of the Poor (except residential accommodation)	National Assistance Act, 1948	National Assistance Board.
Licensing — Milk Producers Special Designations	Food and Drugs (Milk and Dairies) Act, 1944	Central Government.

### *Functions transferred from Non-County Boroughs*

Ambulance Service ..	National Health Service Act, 1946.	County Councils.
Midwifery Service ..		
Maternity and Child Welfare		
Domestic Help Service		
Fire Service .. ..	Fire Service Act, 1947 ..	Do.
Child Life Protection ..	Children Act, 1948 ..	Do.
Elementary Education ..	Education Act, 1944 ..	Do.
Police .. ..	Police Act, 1946 .. ..	Do.
Town and Country Planning	T. & C.P. Act, 1947 ..	Do.
Licensing. Milk Dealers. Pasteurisation	Food and Drugs (Milk and Dairies) Act, 1944	Do.

## APPENDIX II

(Not reproduced—see *Summer Issue*, 1953, pp. 176-179)

## APPENDIX III

### *Comments on Paragraphs of the Appendix to the County Memorandum*

The paragraphs in the County Memorandum are not reproduced as they have already been published in the *Summer Issue* on pages 179-187. The paragraph numbers are the same as in the Memorandum.

1. *Structure of Local Government.*—We feel that elected councils should have powers and exercise them in their own right on behalf of the people they represent and that reliance upon delegated powers all too often means friction, frustration, delay and unnecessary expense. We do not endorse the tribute to two-tier government. In our view, the direct conferment of powers provides the best form of government and, although two-tier government may well be necessary in some areas, it can only be regarded as a second best.

2 and 3. *Existing County Boroughs.*—There is nothing anywhere in the memorandum to justify the view that any existing county borough should lose status or functions. These paragraphs are quite out of harmony with the proposals relating to county districts contained in Para. 8 (d) of the county memorandum in which the application of a population limit has been deliberately rejected. We dislike the minimum of 75,000 proposed and consider that "all-purpose" authorities might well be newly created with populations ranging from, say, 50,000 upwards according to circumstances. We observe that, while it is proposed that no new county borough should be created except by Private Bill procedure—with possible opposition by the county council, existing county boroughs are to lose their status and powers without any similar right to express their views. To this we would never assent. The following are the county boroughs apparently affected by these proposals :

Barrow-in-Furness	Dewsbury	Lincoln
Bootle	Dudley	Merthyr Tydfil
Burton upon Trent	Eastbourne	Tynemouth
Bury	Gloucester	Wakefield
Canterbury	Great Yarmouth	West Hartlepool
Carlisle	Hastings	Worcester
Chester		

4. *Future County Borough Status.*—We have for a long time favoured a return to the creation of county boroughs by Private Bill procedure and our views on the proposed minimum are expressed in the preceding paragraph. The proposed procedure is so complicated that counties could effectively prevent the combination of districts and the deposit of Bills. In other words, they could render this proposal ineffective. We also object to any time limit. Such advantages as this paragraph would appear to confer are to a large extent taken away by the succeeding paragraph, which excludes conurbations.

5. *The Great Conurbations.*—We see no reason why areas within conurbations should either have taken away from them or be denied the advantage of "all-purpose" government. We believe that this, in the main, is their desire. It may be that in certain conurbations some functions may be found to be better planned (and, perhaps, administered) over areas comprising a number of local authorities, but if this should be found to be the case, any arrangements on these lines should be regarded as exceptions, made for special reasons, to the general rule that local authorities should themselves exercise all local government functions in their own areas.

6. *Review of Counties.*—Under Para. 4, a Bill cannot be deposited until after the county review under Para. 7. The review under Para. 7 cannot take place until the Minister has undertaken the review of the counties under Para. 6. As the Minister is to omit the new county boroughs, who decides upon their existence? Delay and constant frustration stand out in all this proposed procedure. We refer to Para. 13 of our memorandum; it is clear that Parliament must first settle the principles.

## REORGANISATION OF LOCAL GOVERNMENT

7. *Review of County Districts.*—The extent of the power proposed to be given to a county council should be noted. It can combine urban and rural districts, also boroughs with urban and/or rural districts ; and it can deprive a non-county borough of its status. We consider that the bias in most counties is so heavily against the non-county boroughs that a favourable response to their views is almost out of the question. We would never be prepared to recommend the acceptance of such a proposal.

8. *Functions of Authorities, Direct and Delegated.*—In the light of the experience of the members of this Association, the effective delegation of powers depends so much upon the manner in which the delegating authority interprets a provision of this nature, that we are bound to regard this proposal as a promise without substance.

9. *Reservations from Delegation.*—Our experience in the past unfortunately leads us to believe that whatever delegation is theoretically obtained under Para. 8 will be effectively nullified by the operation of this paragraph.

10. *Joint Committee for Scheme of Delegation.*—The constitution of the proposed joint committee is such that no non-county borough is likely to regard its chances of success with much optimism. We record, with regret, that, save for one or two notable exceptions, the attitude of the county councils in the past on the subject of delegation and devolution of duties does not afford any reasonable hope that, in practice, this proposal will prove satisfactory to the non-county boroughs.

11-20. *Delegation.*—The pattern of local government likely to be produced under these proposals will undoubtedly make a complicated system still more complicated.

*Schedules, etc.*—We do not approve of the proposed schemes of delegation or the schedules of functions, but detailed criticism must await any further observations we offer.

### APPENDIX IV

#### *Extracts from 1942 Memorandum of the Association of Municipal Corporations on Reorganisation of Local Government*

The report and explanatory statement submitted with this memorandum and adopted on the 23rd July, 1942, are not reprinted. They may be found at pp. 130-134 of the *Municipal Review* for 1942.

5. The problem before the Association is to suggest a system of local government for the future which, according to our views and experience, is likely to be best suited to meet the needs of the country.

6. It is not expected that it will be possible to secure unanimity amongst all classes of local authority upon the nature and extent of the reorganisation necessary to bring the local government system into line with modern requirements, but it is proposed in this report to indicate the principles which it is thought should be followed in preparing any scheme for the reorganisation of local government.

7. We think it desirable to state at the outset that, in our view, any scheme of reorganisation must preserve the essentials of local government.

All forms of local government authority must continue to be democratic in constitution and in operation, and the elected representatives must retain effective control over the services for the provision and administration of which they are made responsible by Parliament.

8. We also regard it as important that any local authorities of whatever kind should have direct access to the central departments of government without the intervention of regional or subsidiary governmental bodies. Much of the progress in existing social and local services in the country has been derived from local initiative and experiment—the benefits of which have been subsequently incorporated into general legislation—and we regard it as of vital importance that this local initiative, which is the very foundation of local government, should be maintained unimpaired. A system of regional administration, especially if not directly responsible to elected representation, interposed between local authorities and the central authority, would not only detract from local responsibility and initiative, and tend to lower the status of local authorities, but is, in our view, calculated to give rise to undesirable delays in execution of policy and result in an appreciable addition to the cost of government, without any gain in the efficiency of local government services.

9. It is considered by many that the existing units of local government administration are too limited for many purposes and, of course, the fact is that the advantages of wider areas of administration than are afforded by the ordinary units of local government have been recognised in respect of particular services. We have given careful consideration to the position and, as a result, we feel that the needs of the present and the future can best be met by suitably rearranging areas of local government so as to secure a wider area for local government and at the same time giving to the local authority complete powers of local government.

10. We have considered the principles which should be followed in rearranging the areas and functions of local authorities, and we think that it should be a matter of principle that each reconstituted area is such as to ensure :

- (a) The efficient administration of local government services for the well-being of the people ;
- (b) That it is a unit economical and suitable for the administration of the public services allotted to it, be those services large scale or small scale ;
- (c) The specialisation of institutions where this would be advantageous as, for instance, in the case of hospitals, higher education establishments, etc. ;
- (d) That the financial resources of the authority for the area, whether derived from rates, Exchequer contributions or other revenues, are adequate to meet the reasonable expenditure of the authority without causing an undue financial burden upon the ratepayers, while, at the same time, ensuring administrative and technical staffs of the calibre required by the services ;

## REORGANISATION OF LOCAL GOVERNMENT

(e) That the services of suitable elected representatives from all sections of the community are attracted and that there is a convenient and accessible administrative centre ;

(f) That the control of local government should not be so remote as to prevent it being influenced by public opinion and that the principle of self-government in a locality should be fully maintained.

11. In regard to the type of authority which is likely to be best suited to the future needs of local government in this country, we suggest that the most satisfactory form of local government is for most areas a single authority invested with complete powers of local government within its area. Local government services are in many cases inter-related and should not be separated, and we are convinced that it makes for the efficiency of local government and the proper development of an area and its services if all functions of local government are in the hands of one authority representative of the electors and directly responsible to them. It is, therefore, recommended in the first place that this Association should support the principle that the most satisfactory form of local government in most areas is that of a single authority invested with complete powers of local government, and that any reorganisation of local government should be directed to achieving the object of setting up wherever reasonably practicable, having regard to local circumstances, throughout the country, the type of authority referred to, which for convenience might be called a single all-purpose authority, and this recommendation is made without reference to any particular local government authority, and what area would qualify as a single all-purpose authority is a matter for further consideration in the application of this principle.

12. We have given much consideration to the area likely to be best suited for administration by a single all-purposes authority of the kind we have in mind. In reviewing the existing position, we have felt that the differentiation between local government in urban areas and in rural areas which is characteristic of the present local government system has been carried too far.

13. In the past there has been too much differentiation in local government between urban and rural areas. We see no reason why the single all-purposes authority should not include rural and urban areas. The desirability of such a course lies in the fact that the rural areas of this country are not sufficiently self-supporting to provide all the local government services required without the assistance of the urban communities and, as a result, rural areas do not normally enjoy the same highly developed services of an urban area. But it is clearly desirable that benefits of all local government services should be within the reach of all members of the community, irrespective of the nature of the area in which they reside.

14. The burden of providing local government services in rural areas has always been the greatest difficulty in extending all services to such areas ; Parliament has endeavoured to meet the position by the introduction of measures intended to reduce the burden, but it seems that the position would most effectively be met by a reorganisation on the basis of the establishment

in suitable areas of a single all-purposes type of local government authority. If suitable areas are obtained, the course we suggest would, we think, tend to equalise the burden more effectively than any other course, whilst at the same time providing the most satisfactory form of local government.

15. The area of such an authority is a matter which can only be determined after careful and detailed consideration, but we further recommend as a general principle that the area of the authority should comprise both rural and urban lands, containing a well-balanced grouping of all classes in the social scale, and in which there is a reasonable spread of industry, commerce, residence and agriculture, and which might reasonably be expected to attract men of experience as officers and otherwise conform with the principles laid down in Para. 10.

16. It will not always be possible to secure that each authority of the same class has approximately the same population and it is thought that mere numbers of population should not be a decisive factor.

17. It is also considered essential that any new areas should be of such a character and status as to make them suitable units for the administration of any proposed scheme of post-war reconstruction or redevelopment, and in this respect the blending of rural or quasi-rural areas with an urban area as suggested is important and necessary. With the type of area proposed for the "all-purposes authority," it should become possible for "overspills" from the urban into rural areas with a consequent escape of financial responsibility to be prevented. Further, by the limitation of space and appropriate town planning restrictions, it should also be possible to limit the growth and population of each area, thus avoiding in the main the congestion and lack of amenities which, at present, exist in many areas.

18. Further, it may be found that consideration will require to be given to the question as to whether special local government problems, including financial considerations, arise in those parts of the country where there are (a) small country towns with ancient charters, (b) large tracts of rural lands, and (c) large urban conurbations; in these cases, which will be limited in number, the course we have recommended may not be suitable and special provisions may be necessary. The Committee propose to give further consideration to these matters.

19. If the recommendations which we make are accepted and suitable units of administration are arranged, it is considered that *ad hoc* bodies for administration of particular services will be found generally to be unnecessary and superfluous to properly organised local government; such bodies and joint committees of local authorities are as a broad generalisation an undemocratic form of organism to be avoided unless particular circumstances make it imperative.

20. Public utilities should, as a general statement, be owned and controlled by the public through the democratic forms of local government which, in effect, means that the undertakings at present owned by local authorities should be retained by them subject to general supervision through



## REORGANISATION OF LOCAL GOVERNMENT

the appropriate Government department, whose duty it would be to secure the requisite degree of co-ordination and efficiency. Should it happen, in consequence, that the services area, or area of supply, extends outside the area of the owning authority into that of another, this should not be regarded as a predominant reason for altering the area of supply or for adjusting the area of the local authority. In appropriate cases, the system of bulk supply should exist; the function of generation (in the case of electricity and gas) or collection (in the case of water) might be separated from the function of distribution. These services may, in fact, by the course now recommended be placed upon an approximation to a regional basis; "regional" in this case implying an area economical and efficient for the administration of such services.

21. If the proposals embodied in this memorandum are adopted, it is obvious that the whole question of Exchequer contributions will have to be re-examined and dealt with.

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### Report Wanted

THE Librarian, The University, Nottingham, urgently requires to purchase *Royal Commission on Local Government. Minutes of Evidence.* pt. 1. H.M.S.O. 1923.

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## CORRESPONDENCE

### THOUGHTS ON ADMINISTRATIVE CASE-STUDY

DEAR SIR,

Mr. Spann's article is of particular interest to those of us in the universities who are attempting to collect case-studies as teaching material for students. His admirable exploration of the field of possible case-material enables a fairly clear conclusion to be drawn; it is apparently impossible to collect British case-studies which have all the three main characteristics of those in Mr. Stein's book, *Public Administration and Policy Development*. Nearly all these cases are (a) high-level; (b) authentic; (c) recent, having occurred within the last fifteen years or so. It is true that the recent Storey Report on municipal government in Lagos satisfies all three criteria; the material, however, is not, strictly speaking, "British," although it illuminates, by contrast, some features of English local government which are often taken for granted.

Perhaps the first question to answer is whether low-level cases will provide adequate material. It may be advisable, as Mr. Spann suggests, to begin with cases covering promotions, discipline, and other aspects of human relations and office organisation. This type of case is similar both to the early case reports in *Public Administration* referred to by Mr. Spann and to many of the American cases used in teaching business administration. It should not be very hard to produce cases of this type. Identities of the persons and organisations concerned would have to be concealed, but it would be possible to obtain and edit cases which were both authentic and recent. It would not even be necessary, for this type of case, to create any very expensive or high-powered apparatus for collection. The experience of members of regional groups of the Institute of Public Administration would be a likely source for this kind of material. These low-level cases are easier to collect than high-level ones and perhaps more relevant to the work which most university students of public administration will do in the immediate future. But they do not throw light on perhaps the most interesting parts of public administration, those fields in which political considerations and value judgments are important factors. The great difficulty is that if high-level British cases are desired, they cannot be both authentic and recent, and one of these qualities has to be sacrificed. Mr. Spann gives examples, both of not very recent authentic material and of material descriptive of more modern methods of administration which is, however, fictional in character.

The need for more British case-studies is so great that materials from both sources are to be welcomed at this stage. There are, however, two arguments which weigh in favour of recent material, however it may have to be disguised, and against "historical" case-records. One possible danger in historical case-records is that the material, although giving an apparently adequate record of a case, may be insufficient to capture the right atmosphere. The time lag in obtaining permission to use official documents may make it impossible to amplify the records, because many of the participants will be dead or no longer interested. The task of recreating atmosphere is not impossible, but it increases with time. An "impressionistic canvas" of a

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recent case may give a truer picture of administrative problems than a "photograph" of an earlier case which has been recently tinted by guess work.

A second danger is that some cases may possess historical interest, but be too old to be good teaching material. A case from the pre-telephone era may not be taken very seriously by students who have perhaps previously been taught that minor administrative difficulties are sometimes more easily resolved by phone than by letter. There is a danger here in training students for administration in a horse and buggy age.

The problem of how best to encourage British administrators to produce modern equivalents of Stendahl's *The Telegraph* is outside the scope of this letter. Its aim is merely to suggest that, paradoxically, "historical" high-level case-studies may be less true to life than some of the "fictional" varieties mentioned by Mr. Spann.

Yours faithfully,

University of Bristol.  
10th July, 1953.

R. S. MILNE.

DEAR SIR,

Readers of this JOURNAL may be interested to hear of our experience with case-study at this training centre, and we should be grateful to hear of the experience of others in this field.

Since February, 1951, we have been using case-study in the training of Executive Officers (for those outside the Civil Service, these are members of the basic grade of the Executive Class). Their duty is defined in the Assheton Report on the Training of Civil Servants, Cmd. 6525, as "the critical examination of particular cases of lesser importance not falling clearly within approved regulations, and initial investigations into matters of higher importance." To give them practice in these functions, we have chosen a case from the files of this Department, and the students work through it, actually performing the necessary work as the story unfolds stage by stage.

The case starts with a letter of protest by a member of the public against the working of a scheme which, he considers, discriminates unfairly against workers in his type of employment.

The students have to prepare a reply. The complainant then makes a formal application through his trade union for the scheme to be modified, and the application is granted, so that the original scheme has to be extended to workers in his employment. The students are asked to make a summary of documents on a policy file, to write a memorandum suggesting a plan for the extension of the scheme and then to draw up instructions to local offices, and a press notice. At each stage they are given all the facts they need in order to do each specific job, but do not know the next step in the case; their work is therefore not to appraise the history of a finished case, but to participate in its development. Their practice exercises are collected by the instructors, who make comments on them individually and return them with specimen exercises.

So far this method has been on the whole successful in arousing interest, acting as a test of individual capacity and widening an individual's experience.

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We are now planning a similar, but more complicated, case for Higher Executive Officers—the grade above the Executive Officer—directed at those who are doing individual case work rather than mainly acting as supervisors (training of supervisors is well established in the Civil Service). The technique will be similar, but the practical work will be more advanced.

Doubtless training centres of other Departments undertake similar work; nevertheless, this very brief account of our experience may be of interest, and I should be grateful to know of any similar projects.

Yours faithfully,

Ministry of Food Staff Training Centre.

A. V. TURNBULL.

6th July, 1953.

## TRAINING OF TOWN CLERKS

DEAR SIR,

I have read with very great interest, and considerable surprise, the article by Mr. Keith-Lucas on "The Training of Town Clerks."

My quarter of a century's experience in the Local Government Service of Scotland (seventeen years as a Town Clerk) confirms very decidedly the opinion expressed by the Hadow Committee to the effect that Town Clerks should be trained as administrators, rather than as lawyers. I still feel, however, that it is eminently desirable that the Town Clerk, although primarily an administrator, should also be a qualified solicitor.

What has surprised me, however, in the reading of Mr. Keith-Lucas's article is to find that in England it is usual for an articled pupil in the office of a Town Clerk to pay a premium to his principal. To the best of my knowledge such a practice is unknown in Scotland and unless conditions have changed since I came south in 1945, indentured apprentices (the Scottish equivalent of articled pupils) are paid salaries by the Corporation as members of the Town Clerk's staff. There has however—and I think not without some justification—been a tendency of recent years to discourage the taking on by Town Clerks of indentured apprentices on the grounds that:

(a) These apprentices do not get as varied an experience of the practice of the law as they would in a solicitor's office;

(b) A relationship was established between the indentured apprentice and the Corporation which was not strictly compatible with that of the indentured apprentice to his master, the Town Clerk.

In this matter—and I venture respectfully to suggest that it is not the only one—it would appear that Scottish practice is in advance of the practice in England.

If the new entrant in the Town Clerk's office is to rise to the highest position in the Local Government Service—an ambition which is not only natural but which should be encouraged—then under present conditions he would require in due time to qualify as a solicitor. Every impediment should be removed so that competent and able young men may be encouraged and I suggest that the first step should be to abandon the practice of the payment

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of a premium in respect of the legal apprenticeship. Any difficulty as to the relationship between the apprentice in the Town Clerk's office and the Corporation could, I think, be satisfactorily disposed of by setting aside a sum out of which the Town Clerk would pay reasonable salaries to his articled pupils.

The point which I have mentioned earlier as to the impossibility of providing a sufficiently varied experience of the law for a law apprentice in a Town Clerk's department is not, I think, a serious obstacle. Scores of cases might be cited where apprentices served the whole of the period of their articles in one or two departments of a practising solicitor's office, and therefore had no greater variety of experience, if indeed as great, as they would have obtained in a Town Clerk's office.

Yours faithfully,

Paint Industry House.

N. J. CAMPBELL.

23rd June, 1953.

## LOCAL ADVISORY COMMITTEES

DEAR SIR,

May I congratulate Miss Enid M. Harrison on her excellent survey of the development and usefulness of local advisory committees which you publish in your Spring issue. As a member of three local advisory committees and of an appeals tribunal, I welcome the light Miss Harrison and Mr. L. Hagestadt have centred on this subject.

I have often heard persons from the industrial world declare that these local advisory committees are a waste of time. When I have asked some of the critics whether they make any contribution towards the business of the meetings they usually answer in the negative. Some admit that they prefer to remain silent. While one cannot encourage the type of committee member who attempts to compete with a series of gramophone records, he is a very poor type of member who deliberately maintains so-called discreet silence.

Local advisory committees do perform a useful function and Mr. Hagestadt, in his recent article, admirably described the qualities of the ideal chairman and secretary which go a long way towards the assurance of a successful committee. At this stage I am mindful of the local employment committee on which I have the honour to serve. This committee recently celebrated its coming of age, it meets regularly each month, and some good results have encouraged a very well-attended series of meetings. The local press gives prominence to the discussions and decisions. Our relationship with regional office is very good. We find that R.O. is prompt in its handling of correspondence arising from our meetings and I am sure that each member of our committee will agree with my submission that we are encouraged by this promptness and courtesy which comes so readily from R.O. I could relate some interesting items and good results from our activities, but space is not available. However, let me emphasise that this committee has often been the medium of correcting some mistaken idea—often as a result of some informed member producing factual evidence. Thus the public has been re-assured.

## PUBLIC ADMINISTRATION

Some of my colleagues on our National Insurance (local) Advisory Committee are wondering what will happen when the Ministries of Pensions and National Insurance are merged. Is it too much to hope that the appropriate local advisory committee will be given the opportunity to render some really useful service in the interests of the service pensioners? Personally, I would welcome such an opportunity for, despite some of our pessimists, I have confidence in the system of local advisory committees. I am sure there are many men and women who will readily give expert advice through these voluntary channels whenever the "powers-that-be" require it.

Yours sincerely,

R. L. ENTWISTLE.

Upminster, Essex.  
17th June, 1953.

(Administrative Assistant, Labour  
Relations Division, Ford Motor Co. Ltd.).

### THE PUBLIC SERVICE COMMISSION IN INDIA

DEAR SIR,

The items of information in an article on "The (*sic*) Public Service Commission in India" (Spring, 1953) require a little elucidation. The impression conveyed is that of certain automatons which have been established for some time, "purely advisory," but at the same time "in no way subordinate to the legislature or executive." Unfortunately, in order to emphasise the "advisory" character of the Commissions, the author quotes from a speech explaining the provisions in the Government of India Act of 1935, and not from any statement in the Constituent Assembly of India which framed the constitution for the Indian Union! In giving the "distinctive features" of the Commissions under the present Constitution, he starts with the tenure of office of persons like himself, but reserves for later mention the most important innovation, itself of great constitutional import, viz., the right of making Annual Reports to the Legislature concerned as a "safeguard against arbitrary action by them in disregard of the Commission's advice." In fact, it is through this safety-valve that a lot of the public education and publicity work on the Civil Services *vis-à-vis* political patronage has been lately possible in India. The latest is a typical report (from which I quote below) issued by the Uttar Pradesh (the biggest state in India now) Public Service Commission, chaired by a distinguished educationist, Dr. Amarnath Jha. The Union P.S.C. had also similar points to make. Unfortunately, your author belongs to the school which makes too much of the "advisory" character of the Commissions. However it appears that in order to live up to the expectations of students of constitutional development, the Commissions, which meet at conference periodically, should unite in building of traditions and conventions to ensure an efficient, incorruptible civil service, as good as, and more patriotic perhaps than, that left by the British.

Here are extracts from *The Statesman* (Calcutta and New Delhi) on the U.P.P.S.C.'s report which point to the inevitable pains attaching to the rebirth of a State under local political auspices:

LUCKNOW, July 20.—To those who pin their faith on the need for an efficient and incorruptible civil service for the successful functioning

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of democratic government, the report of the U.P. Public Service Commission for 1951-52, just published, will come as a severe shock.

From beginning to end, the U.P.P.S.C.'s report is a tale of irregular appointments by the State Government; repeated though ineffective protests by the Commission; appointments to posts under the Commission's jurisdiction without prior consultation with, or in disregard of the Commission's opinion, and evasive replies whenever the Commission adopted a firm attitude.

The Commission's report does not mince matters. The appointing authorities, it says, "in spite of repeated instructions issued by the Government from time to time, continue to exceed their powers in making temporary and officiating appointments. In order to check such irregularities the Chairman suggested to the Chief Minister last year that all appointing authorities should be required to furnish to the Commission half-yearly statements showing all temporary appointments made by them. No reply was received from the Government in this matter till the close of the year."

During the year, the Commission several times questioned the suitability of officers selected by the Government, disapproved the irregular methods of appointing people not recommended by the P.S.C., and criticised the inordinate delay in making a reference to the Commission. But these protests evoked no response . . .

Isn't it, therefore, a little too much to claim that the Commissions in India are in "a much stronger position from a constitutional point of view than the statutory bodies or corporations set up in Britain in recent years?"

Pandit Kunzru, an elder statesman, had pinned much faith on this Annual Report in a speech in the Constituent Assembly (Vol. IX, No. 16). He observed: "The checks provided in the articles laid before us have been found to be necessary in practice at least in one case. The Calcutta High Court some time ago considered an application questioning the validity of an appointment made by the Local Government without consulting the Public Service Commission. The High Court expressed the opinion that the provisions contained in article 266 of the Government of India Act, 1935, with regard to matters in respect of which the Public Service Commission shall be consulted were not mandatory because it was not stated what would be the consequence of the disregard of those provisions. They were, therefore, held to be only directory. In other words, from the point of view of the public the obligation laid on the executive was not a fundamental right but only a directive principle. If such a case occurs in future, the Public Service Commission concerned will be able to mention this in the report which will have to be laid before the Legislature. There is a reasonable certainty, therefore, that the Executive will be disposed to act with caution and not exercise its powers in an arbitrary fashion and act as if the Public Service Commissions did not exist." It is a pity recent experience has not been fulfilling some of the expectations of the framers of the Constitution.

I should conclude by stating that in the context of nearly two dozen Service Commissions working in a big country like India, it was bold for your author even to try to generalise, especially as the Commissions, though

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statutory bodies, are already under different degrees of relative executive pressure in different States. Differences in the composition of the Commissions—either because these have been “packed” by senior officials or have been diluted by the inclusion of active politicians—may affect their independence.” Thus, the change in the clause relating to the composition of the Commission, substituting for the provision that “one-half” of the members shall have held office for 10 years under government, which was part of the Government of India Act of 1935, the provision “as nearly as one-half” of such members, has been of dubious value. Perhaps it is not yet the time for evaluating the work of the Service Commissions in India under the new set-up, but the portents are not too promising.

Indian Student of Public Administration.

New Delhi.

12th August, 1953.

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## BOOK REVIEWS

### *The Secretarial Practice of Local Authorities*

By W. ERIC JACKSON (Heffer), 1953. Pp. 258. 20s.

THIS book has been published under the aegis of the Council of the Chartered Institute of Secretaries. The declared objects are three: to provide a concise account of those subjects which most closely affect local government officers who are engaged on work of a secretarial nature; to provide a manual of instruction for students preparing for the examinations of that Institute; and to assist towards the establishment of a general standard of secretarial practice for the guidance of Local Authorities and their officers.

There can be no doubt that it will be very useful to the candidates for the examinations of the Chartered Institute of Secretaries, but it will serve a wider purpose than this. Many Clerks of Local Authorities and their assistants will find in it valuable suggestions and advice on matters of administrative procedure and methods, for Mr. Jackson has much experience of such matters and a detailed knowledge of the inside working of local government. Moreover, his writing is clear, and free from technical jargon.

The greater part of the book is devoted to a description of the procedure of committees and council meetings, with their agenda and minutes. It also covers such subjects as correspondence and reports, filing, office machinery, contracts and tenders, standing orders and public relations. Mr. Jackson gives sound advice, and is careful not to be dogmatic; he expresses his opinions, but does not claim that his is the only proper way of doing the job. He goes into considerable detail, and gives, for example, specimens of an agenda paper and the minutes of a County Council Health Committee. This may well be useful to students and committee clerks, although one may disagree with some of the details; for instance, the inclusion of the

Medical Officer's annual report on sickness in the council's schools under the heading "Particulars of action taken by the chairman on behalf of the committee since the last meeting" (p. 64).

It is probable that this book will be of use primarily to committee clerks and those who may become committee clerks. In these circumstances it is perhaps unnecessary to include a detailed account of the Public Order Act, 1936, which has little if anything to do with the business of Local Authorities, and a chapter of twenty pages on the promotion of legislation in Parliament. Such matters involve much technical legal knowledge, and would not normally fall within the duties of those engaged on secretarial work.

One other minor criticism is that in the opening chapters, dealing with the general nature of Local Authorities, Mr. Jackson has sometimes made his explanations too simple. For example, the statement that "Nowadays the Act of 1933 . . . provides *inter alia* that every inhabitant of a borough, and the apprentices and near relatives of freemen, shall be entitled to enjoy the common property of the borough corporation" is likely to give a false impression to some readers. Nor can his explanation of the law of mortmain be regarded as satisfactory.

These are, however, minor matters, and they lie outside the main theme of the book. It is not, and it does not pretend to be, a legal text book. It is a manual of secretarial practice, and as such it will undoubtedly prove to be of value to the great number of local government officers engaged in the daily business of agendas, minutes and correspondence.

B. KEITH-LUCAS.

### *British Public Utilities*

By J. F. SLEEMAN (Pitman), 1953. Pp. 290. 20s.

MR. SLEEMAN has written a useful and timely book. It is the only recent and comprehensive study of British public utilities to be published. And it will be particularly welcome to students of the subject at a time when, because of post-war

changes in organisation and control (to copy the admirably detached phraseology which the author uses in describing the great socialisations), "problems of public utilities" tend increasingly to be confused with "problems of nationalisation."

This book sticks to the time-honoured conception of a public utility as a commercial undertaking enjoying a natural monopoly in the supply of an essential service. But how does road transport fit into this definition? Mr. Sleeman has his doubts, and falls back on a second definition—a different type of enterprise may have to be treated as a public utility because it competes with recognised public utilities and should be “co-ordinated” with them. This seems dangerous doctrine. Why draw the line at public road transport? What about private road transport? What about the oil companies, which compete with gas and electricity?

And what is this co-ordination? Ensuring that each service serves those purposes for which it is best suited? But is this not one of the functions of the price system—

provided that all prices are appropriately related to the relevant costs? In his treatment of the public utilities’ pricing problem, Mr. Sleeman discusses the importance and the possible means of relating prices to costs. But one is left uncertain whether he regards co-ordination as a matter for the market or as a job for central planners. Much of his analysis seems to point to the conclusion that there is no compelling reason why the pattern of choice between road and rail services, or between gas and electricity, for instance, should not be decided by competition within a suitable framework. But, nevertheless, he appears to imply that somebody in authority should decide what services should be used for what purposes. Must the public utilities be a happy hunting ground for central planners?

## *The Future of Nationalisation*

By H. A. CLEGG and T. E. CHESTER (Basil Blackwell), 1953. Pp. ix+211. 12s. 6d.

THIS is an admirably written book, but it is not about the future of nationalisation. The authors do not theorise about that wide and speculative question, but offer something of more immediate and practical value—their suggestions for reorganisation of the nationalised industries. Their views deserve thoughtful consideration, aimed as they are at improvement of administrative efficiency. Mr. Clegg (of Nuffield College, Oxford) and Dr. T. E. Chester (of the Acton Society Trust) argue their case well, and present it with a clarity and a freedom from bias which are wholly commendable.

A special word of praise is earned by the opening chapters “Why Nationalisation?” and “The Organisation of Nationalised Industry.” These give that concise, accurate and readily comprehensible account of the background and organisation of the principal industries—coal, electricity, gas, transport and air transport—which the student of the subject so often seeks in vain. The fact that the account of the administration of the iron and steel industry during its nationalised period is so inadequate is due to the lack of publicly available information on this subject rather than to any fault of the authors. It ought perhaps to be said that, when more is revealed about the working of the Iron and Steel Corporation of Great Britain, it may well be judged to

have carried out greater practical functions for the industry than the authors have guessed. (By an error on p. 129 the vesting day is recorded as 25th, instead of 15th, February, 1951).

The main theme of later chapters is that “nationalisation is compatible with small-scale organisation.” What the authors mean by this apparently is that the administrative methods which are successfully applied in small-scale organisation need not be abandoned because nationalisation unifies many smaller units into a large compound unit. Their method would be to break up the functions of administration, retaining under superior regulation only those whose character is “financial control, development planning and the provision of technical services.” These retained functions would normally be entrusted not to a single central body but to area boards. The general management function—i.e., conduct of operations and commercial activities—would be discharged by managers who would carry full responsibility for its day-to-day performance, being subject to direction only in respect of general policy and common services.

By this means the authors seek to eliminate “national overall management,” which they pillory as the main defect in the present organisation of nationalised industries.

There is much merit in the contention that general management should be devolved, but the authors do not deal with all the practical difficulties. The chief problem arises from the fact that, whatever may be one's organisation on paper, its only reality is what the constituent individuals do in practice. It is no use, for example, declaring that general management is devolved, if actions of the general manager can be made the subject of successive appeals through higher bodies to national level, or are in fact the subject of constant direction from above.

More than once the authors speak of the area boards, on their pattern, acting like holding companies or employing the holding company technique. They clearly consider this to be the sound relationship. A cardinal feature of the holding company pattern is that there is a legal break of function between the directors and the shareholders. The reason that the actions of day-to-day management cannot be constantly queried by the shareholders is that the law declares that the general management of a company's affairs is the responsibility of the directors and that, while the shareholders can replace the directors if they are dissatisfied, they cannot instruct them as to how to do their job.

It is doubtful whether the holding company technique can be effectively applied without this legal safeguard. Lacking it, the higher authority is bound to feel that it cannot evade responsibility for day-to-day affairs and must therefore intervene. If, however, it is genuinely in the

position of a shareholder, it has a proper and legal reason for not intervening: it cannot be challenged for neglect of duty.

It is possible that the scheme of devolution suggested by Mr. Clegg and Dr. Chester can be fully effective only if a formal company structure is adopted. Their proposals are none the worse for that. Indeed the creation of internal entities, each with a name and legal existence of its own, might have secondary advantages of a type the authors would obviously welcome—psychological advantages for employees and improvement of efficiency by the establishment of a proper degree of rivalry within each industry.

This book does great service in emphasising the inherent defects of attempting unitary general management for undertakings as vast as are these industries. The dangers have long been recognised in private enterprise, and there is a rich variety of structure in the larger combines from which to draw examples of convenient methods. It may be that, because in the case of coal—the first industry to be nationalised—the former company structure was deemed to have failed, there has been some prejudice against re-applying to the nationalised industries techniques of management organisation which are familiar in private concerns. Adaptation, as distinct from blind adoption, of these techniques might well provide beneficial solutions to some of the major problems, and *The Future of Nationalisation* constitutes a notable sortie into this promising territory.

R. W. BELL.

## *National Employment Services : Great Britain*

(I.L.O.), 1952. Pp. xii + 189. (\$1). 6s.

THIS is the second of a series of handbooks in which the I.L.O. is surveying the employment services of a number of countries. It has been prepared by the British Ministry of Labour, and contains a detailed account of the placing and advisory services operated by the Ministry. Not only does it serve as a guide to the many branches of the Ministry's employment service (and it is surprising how many there are), but it is also a valuable source of information about the way they are administered, the placing techniques employed, the layout of employment exchanges, arrangements for research, and similar matters.

Few government departments publish so much information about the way they do their work, and the book is a welcome addition to the material available for the study of the public services. Though some of the material it contains is already available in other publications, much of it is new, and it is set out in considerable detail. There is a good deal of information about procedure, for instance, and about the training of staff. There is an interesting description of the "P.T.D." method of assessing vocational aptitude. And there is an account of the system of communications between the Ministry's headquarters and its outstationed offices which helps to

explain how decentralised administration is made possible in a government department.

The handbook has the limitations of a government publication. The treatment is purely descriptive, and there is little criticism or comment. Nor is there any attempt to point the morals which might be drawn from the Ministry's past difficulties and failures. As a result, the handbook probably gives an over-favourable impression of British employment services. The handbook forms part of an international survey for which a standard plan was laid down by the I.L.O., so that this descriptive treatment was, perhaps, inevitable. But the aim of the survey is to provide data from which general principles may be deduced about the way public employment services ought to be administered, and one feels that the British Ministry of Labour, with its long experience, could have made a more useful contribution to the achievement of this object if it had

given a critical account of some of its past difficulties. Something might have been said, for instance, about the difficulty of operating employment services through part-time agents, about the problems involved in devising "clearing areas," and about the disadvantages of operating employment services in conjunction with unemployment insurance. The handbook also evades fundamental difficulties. The function of an employment service is to assist its clients to obtain the work (or the workpeople) most suited to their individual circumstances. Is this function really compatible with the duty of promoting the Government's plans for the distribution of the labour force?

The handbook is attractively presented, with diagrams, photographs, and specimen forms, and it is enlivened by the reproduction of typical cases. It should prove a popular book of reference.

E. HARRISON.

## *French Politics : The First Years of the Fourth Republic*

By DOROTHY PICKLES (Royal Institute of International Affairs), 1953. Pp. xiii + 302. 25s.

MRS. DOROTHY PICKLES's book deals almost exclusively with French parliamentary and electoral politics during the period between the liberation of France and the election of 1951. It provides in so doing an admirable introduction to the political problems of the Fourth Republic. Beyond this set purpose other aspects of French affairs are only introduced in so far as they are germane to this main subject, and for this reason the book may tend to be overlooked by students of administration. On the other hand, Mrs. Pickles is well aware that it was the ability of the French administration to withstand the considerable shocks of the liberation period that explains the achievements that France has been able to credit herself with, despite the dismal nature of the political scene. It has also led to attempts to make the permanent official carry burdens which should more properly belong to Ministers. It is a pity that Mrs. Pickles could not find room to explain in greater detail the relation of the Monnet Plan to the ordinary processes of French Government; but she says enough to show that this anomalous freedom from parliamentary control suggests a very uneasy balance between expert and political

opinion. Her position is summed up in the following paragraph.

"Fortunately France has an administrative machine in which the higher ranks of civil servants, and technicians bring to their task not merely integrity and devotion to duty but a quite exceptional degree of intelligence. Indeed, France would not have been able to indulge in the profusion of Government crises that she has experienced during the past quarter of a century, if she had not been able to rely on these *cadres* to carry on their work, either in the absence of responsible Ministers, or with a series of different Ministers, some of whom did not stay in office long enough to learn how their departments worked. Inevitably, if the political leadership is divided or incompetent, a proportionally greater weight of responsibility falls on the permanent official, and this can constitute a danger of hidden leadership by bureaucrats and technicians."

Students of administration who are interested in the conditions in which French Government has to work will find Mrs. Pickles's book highly revealing.

M. BELOFF.



*Public Administration in Malaya*

By S. W. JONES (Royal Institute of International Affairs), 1953. Pp. viii + 229. 15s.

*Public Administration in Burma*

By F. S. V. DONNISON (Royal Institute of International Affairs), 1953. Pp. vii + 119. 11s. 6d.

THESE two books apparently complete the series of studies undertaken by Chatham House as the United Kingdom contribution to a research project of the Institute of Pacific Relations on the growth of an administrative class and the problems of public administration in the Far East. Two earlier contributions to this series were noticed in *PUBLIC ADMINISTRATION*, Spring, 1952, and it must be confessed that these two volumes suffer from similar defects as were pointed out then. Although conscientiously compiled and agreeably written, they are essentially historical accounts of the development of British administration (in the broadest sense) in their respective territories, as seen by men who were themselves concerned with that administration for many years and came to occupy a high place in it.

With the problems of public administration, in a narrower and more technical sense, they do not seem to be greatly concerned. This is no doubt partly due to the historical approach adopted throughout, but it is a great pity that neither author has attempted any general assessment of the relevance of the experience he has described to the vital tasks of public administration in the so-called "under-developed" territories elsewhere. One such problem, for example, is the very great difficulty in drawing any practical line between "politics" and "administration" when "nation-building" or "development" activities are at once the major task of administration and the liveliest issues of politics, a difficulty often concealed from British colonial administrators by

their frequent conviction that they were not, except at the highest levels and then only as an unfortunate necessity, concerned with "politics." At another level, all the problems of recruitment, and its relation to the social structure and the educational system, as well as the problems of training, both before and after entry into the various services, are of key importance in such territories. Mr. Donnison has an interesting chapter largely concerned with such problems in Burma in the inter-war years, but they hardly attract any attention in Mr. Jones's book. He mentions in passing (p. 115) that "most assistant district officers and many district officers were Malays," but he gives us no account of how this was brought about or what problems of recruitment and training were involved. Equally tantalising is his reference (p. 152) to the employment of dental public health sisters, an instance of another problem of vital importance in all such areas, that of economising in specialist (and usually imported) personnel by a kind of "dilution" or the use of less highly trained (and usually indigenous) subordinates.

There is an interesting study to be made of some of the administrative problems of particular importance in "under-developed" areas. These books will be useful background contributions for anyone trying to make such a study, but it is a pity the authors have not sought to pose more of these general problems and relate them to British experience in these territories.

K. E. ROBINSON.

*Studies in Costing*

Edited by DAVID SOLOMONS (Sweet and Maxwell), 1952. Pp. xii + 643. 35s.

*A Survey of Unit Costing in Local Government*

By SYDNEY YATES and R. E. HERBERT (I.M.T.A.), 1953. Pp. 103. 20s.

THESE two books, although poles apart in scope, method of presentation, and in size, have important things in common. Both aim at providing broad and authoritative background for those readers directly or indirectly interested in costing; both are

at considerable pains to present a balanced view of costing as an instrument of control; both deal with the limitations of costing as well as with its advantages; and both are eminently readable. Solomons, however, because of his greater range, is much the

more arduous proposition. 653 pages on costing does give food for thought in more than one sense. *Studies in Costing* is a collection of 26 studies intended to bring together some of the best work done in the field of industrial accounting during the last 20 years. Many professions are represented. Some studies were written by accountants, as one might expect, but professors of economics and of economic engineering, production engineers, managing directors, local authority treasurers, and others are also found among the list of authors. And it is a further advantage that contributions have been drawn from America as well as from Britain.

David Solomons himself contributes two studies, one on historical development; both are excellently written and indeed the whole book amply justifies the prefatory statement that "the collection is primarily intended for students of accounting and business administration who must find a considerable proportion of the textbooks which are most readily available rather unsatisfactory fare intellectually." But there can be few accountants, industrial engineers and business men who will read this book without profit, and in these days when so much is written and said about costing and so many claims are made, it deserves the widest circulation. No detailed review can be attempted here, but we can note with approval Solomons's view that no attempt should be made to separate

cost accounting from any other type of accounting.

The Institute of Municipal Treasurers and Accountants have produced a number of valuable research studies into practical problems of local government finance, and Messrs. Yates and Herbert, the authors of the *Survey of Unit Costing*, have maintained the high standard of previous studies. They deal only with unit costing in relation to local government services, and their work is largely based on a questionnaire circulated to 126 local authorities of whom no fewer than 91 replied (a notably high figure in these days of pressure of paper work, and a testimony to the assiduity with which the Institute and its members pursue the quest for efficiency in local government affairs). The case for unit costing is moderately and fairly presented and the study gains in force by not ignoring the fact that unit costing finds almost no place in some services and little more in others. By and large, this costing study is worth reading, not only by students of local government finance (who will doubtless feel themselves obliged to read it) but also by those whose interest lies in the wider field of public administration and in the study of techniques to help in securing good value in return for public money.

Both these books are referred to on p. 245 of this issue in an article entitled "Costing and Administration."

E. MAXWELL.

### *International Technical Assistance*

By WALTER R. SHARP. (Public Administration Service, Chicago.) (1952). Pp. xi + 146. \$2.50

THIS book, by the Professor of International Relations at Yale University, gives a comprehensive and thoroughly documented survey of the origins, aims, organisation, present achievements and future problems of the various bilateral and multilateral programmes for providing technical assistance to the underdeveloped countries of the world.

The author commences his study by outlining the history of technical assistance prior to the enunciation by President Truman in January 1949 of the Point Four idea and the launching in the following year of the expanded technical assistance programme of the United Nations system. It emerges clearly that, although the President's proposal was rightly hailed for its boldness and breadth of vision, it was in some respects a culmination of the

persistent work which, for several decades, had been carried on with increasing impetus by a variety of agencies of an official and private character. The fundamental importance of Point Four was that it provided a focus for co-ordinating activities which had hitherto been carried on in a somewhat haphazard fashion, and ensured the material and moral support of the United States which made possible a vast expansion of these activities.

In the second and third parts of his study, Professor Sharp describes and evaluates the respective technical assistance programmes of the United States Government and of the United Nations and its specialised agencies. The fourth part deals with regional programmes under multilateral sponsorship (including the Colombo Plan), and the book closes with a consideration of

the need for inter-programme co-ordination and of some of the devices which are being evolved to solve this problem.

Perhaps the chief merit of this survey is that the author has managed not only to convey in a succinct form a wealth of detail regarding matters of administration and organisation, but also to provide the reader with a very clear picture of the political and sociological factors which at present militate against the full effectiveness of technical assistance. Those responsible for planning and operating programmes in this field appear to be well aware of these factors, but in the present circumstances their position is one of extreme difficulty owing to the suspicion with which technical assistance tends to be regarded in both advanced and under-developed countries. On the one hand politicians feel constrained, as guardians of the taxpayer, to examine critically all proposals that smack of mere philanthropy; on the other hand the recipient governments and peoples tend to regard all foreign aid as a mere extension of colonial exploitation, although, as Professor Sharp shows very clearly in his analysis, the much-maligned colonial powers need not be ashamed of their record in the field of technical assistance.

The execution of Point Four coincided with the intensification of Western rearmament and consequently the provision of technical assistance came to be associated with the exploitation of underdeveloped countries as sources of strategic raw materials. For this reason the recipient countries tend to seek technical assistance from the United Nations or the specialised agencies rather than under the auspices of the United States in spite of the far greater financial resources at the disposal of the latter. Aid from international organisations seems to them less likely to imperil their chances of maintaining neutrality in a future conflict. This preference renders still more difficult the much-needed co-ordination between the current United States government programme (uneasily divided in turn between the Technical Co-operation Administration of the State Department and the Mutual Security Agency as successor to the former Economic Co-operation Administration) and the expanded programme of the United Nations system. Even allowing for these difficulties, however, it is surprising to read that, as far as the author could ascertain, there is no instance of U.S. and U.N. field staffs sharing local facilities (office equipment,

transport, and secretarial and translator assistance) with each other within the same country.

Another acute problem facing the organisers of technical assistance is the difficulty, if not impossibility, of recruiting staff who will combine specialised vocational knowledge with a sympathetic understanding of the ways of life and thought of the peoples whom they are to assist and among whom they will work and live. At present the acute shortage of technically qualified staff renders impracticable any satisfactory programme of preliminary training but it is to be hoped that experience on the job, together with appropriate post-entry guidance, will help to make good this deficiency. In the past, however, inadequate understanding of local conditions had proved to be the downfall of more than one promising development project.

In some countries the effectiveness of technical assistance is jeopardised by the inadequacy of the recipient government, and it is in this context that the vital importance of the Public Administration Division of the United Nations Technical Assistance Administration becomes apparent. However, the eradication of deep-rooted inefficiency and corruption is clearly a task which cannot be accomplished overnight, and it is unlikely that the withholding of technical assistance will hasten the process. In such countries it would seem that a certain wastage of money and effort is inevitable, at least in the early stages of technical assistance, but that this should not prevent a determined effort, on the part of the agencies providing such aid, to raise standards of administration and public morality without offending the susceptibility of the inhabitants by an all too abrupt imposition of alien methods and modes of thought.

These are some of the issues which emerge from Professor Sharp's study which provides for the first time, in readily accessible and compact form, a wealth of factual information regarding both the internal organisation of the varied agencies under review and the methods which they are slowly evolving for more effective liaison and co-operation. The study contains a comprehensive bibliographical note and a glossary of abbreviations which will prove invaluable to the reader who is unfamiliar with the remarkable proliferation of initials to which international co-operation has given rise.

D. G. BRUNT.

# *Problem Families : Five Inquiries*

Edited by C. P. BLACKER. (Eugenics Society, London.) (1952.) Pp. 123. 5s.

ALTHOUGH the "Problem Family" has been noticed officially for a couple of generations, it has not always been the same sort of family. The emphasis has moved from those with a "life cursed by drink, brutality and vice, and loaded down with ignorance and poverty," as described by Charles Booth in 1901, by way of the families which produced people who can only be kept alive by the social service state, the notorious Jakes, Nam and the other genealogical trees of Lidbetter, to a concern for neglected and deprived children, and so to the families that produced them.

Families may present themselves to welfare agencies as a result of such biological factors as high fertility and a consequent super-abundance of infants, or from social causes such as accident or illness. These are, as it were, the short term problem families; there is in addition a hard core of long-term cases which displays three symptoms: the people in them are (1) mentally sub-normal; (2) temperamentally unstable; and (3) largely incapable of responding to any form of education. The squalid home, the presence of numerous children and a complex blood relationship between parents and children are other common features of this group. This study set out to investigate causes in the production and persistence of this long term variety of problem family.

The results are disappointing partly because of the methods used, partly because of the characteristics of the families and partly by reason of the period (1948-50) during which the research was in progress. These drawbacks are clearly recognised in this report. So far as method is concerned there was the risk that five regional studies with five different directors, using a schedule that was imprecise in some of its categories, would

produce data that could not be compiled into a single report. The subjective assessments of intelligence and of physical state of health by field workers who had no special training for this is a serious weakness in the statistics. This weakness of the figures is emphasised by the absence of statistical tests for reliability. Members of problem families are difficult subjects for interview, they smell and they lie, and statistics for them must be carefully checked.

The period during which the inquiry took place was also unfortunate. The local directors were M.O.H. who at that time were putting into operation the Children and Young Persons Act. Attempts to use the files of the voluntary agencies as source material were resisted: this approach by the M.O.H. could have been regarded as an invasion of the territory formerly served by voluntary agencies. Only one such society comes away with good marks, the N.S.P.C.C. The Public Health Departments, and School Attendance Officers of the Local Authorities carried the burden of the inquiry. The survey had influential backing, yet failed to secure full co-operation from all the departments of Local Authorities in the five regions where field inquiries took place. This suggests the need for a much more careful approach at all levels so that participation is both widespread and wholehearted. The book makes no attempt to hide the difficulties of social research both in initial planning and in execution and should be read as a corrective by anyone who feels it would be "nice to know more about" some particular social problem. Its value lies more in the warnings that it contains for future investigators than in its contribution to knowledge.

J. M. MOGEY.

## BOOK NOTES

### *The Case for Scottish Devolution*

Scottish Covenant Association. 1953.  
Pp. 48. 1s. 6d.

THIS booklet contains the evidence submitted by the Scottish Covenant Association to the Royal Commission on Scottish Affairs. Successive chapters dealing in vigorous style with financial, economic, administrative and other considerations, are followed by general recommendations, particular proposals and conclusions. An appendix contains proposals for the separation of the finances of the United Kingdom, Scotland and England on a federal basis. All administrators concerned with Scottish affairs will find the factual material of value, whatever their views on the underlying thesis and the resulting proposals may be.

### *National Coal Board; Report and Accounts for 1952*

H.M.S.O. 1953. Pp. viii + 249. 8s. 6d.

THIS seventh annual report of the National Coal Board follows the general pattern of previous years. Among the noteworthy events and trends recorded are a substantial increase in manpower and particularly in boys and young men; a decline in output per manshift accompanied nevertheless by an increase of  $3\frac{1}{2}$  million tons in total output and by an increase in exports; a sharp decline in operating profits from £21.2 million to £5.7, attributed to higher wages, lower productivity and increased prices paid for stores and materials; further expansion of scientific and research work; and the assumption of responsibility for opencast mining which had previously been the direct concern of the Ministry of Fuel and Power.

### *Police Organization and Management*

By V. A. LEONARD. Foundation Press, Brooklyn, 1951. Pp. xviii + 507. \$5.00.

In this exhaustive study the author, who is now head of the Department of Police Science and Administration in the State College of Washington and who previously had many years' experience of active police work, provides a guide to the organisation and administration under present-day conditions of an American city police department. Particular attention is devoted to the scientific methods needed for

achieving the most efficient and economical use of available man-power and equipment, and for maintaining a fully efficient police force which will be able to cope both with normal day-to-day tasks and with emergencies of every description.

### *Housing Statistics 1951-52*

I.M.T.A. 1953. Pp. 81. 7s. 6d.

THIS third annual return covers nearly 500 Local Authorities in England and Wales and for each provides much valuable statistical information. There are also useful summaries.

### *Your Parliament (Filmstrip and Notes)*

Educational Productions Ltd. 1953.  
Pp. 16. 15s.

THIS filmstrip gives a very clear picture of the physical setting of Parliament, of the growth of its powers and duties, of its ceremonial, and of its day-to-day workings.

### *National Corporation for the Care of Old People; Fifth Annual Report*

1953. Pp. 35.

THE Corporation again stresses the desirability of providing more domiciliary care services so that there will be less demand for costly residential accommodation in homes for old people. It is proposed to carry out, with the aid of both voluntary and official agencies, comparative studies in two areas in order to ascertain the costs of the two types of provision. The Corporation has also given much further assistance towards the provision of rest homes for the infirm which form an intermediate stage between the hospital and the welfare home.

### *Coke-Burning Appliances Handbook*

The Gas Council. 1953. Pp. 246.  
12s. 6d.

THE fourth edition of this handbook is the first to be issued since nationalisation. It takes full account of the recommendations of the Simon and Ridley Reports and provides a wealth of detailed and up-to-date information, including costs and performance, on the various categories of domestic solid fuel equipment. Thanks to the wealth of photographs and diagrams in the handbook, the design and functioning of the individual appliances is made clear even to the non-technical reader.

*Report on a Special United Nations Fund for Economic Development*

United Nations and H.M.S.O. 1953.  
Pp. ix+61. 3s. 9d.

THIS report contains a detailed plan for the establishment of a fund for financing economic development out of renewable contributions from both governmental and non-governmental sources. The unanimous findings of the Committee fall into three parts which are devoted to the role of the fund in rendering assistance to under-developed countries; to specific recommendations concerning its financial structure; and to its operation in practice.

*A Supplement to Factory Law*

By H. SAMUELS. Stevens. 1953.  
Pp. 12. 2s. 6d.

THE supplement, which summarises cases occurring before May, 1953, brings up to date the fifth edition of the author's standard work *Factory Law*.

*Lands Tribunal Rating Appeals 1951-1952*

Incorporated Association of Rating and Valuation Officers. 1953. Pp. xxvi+156. 16s.

OVER forty rating appeals are recorded in this second volume of a series which started in 1952 and is a most valuable source of case law on this exceedingly complex and specialised subject. The appeals selected cover de-rating, exemption, and amount of assessment. Readers of this Journal may find of particular interest the detailed report on *St. Marylebone Metropolitan Borough Council v. Institute of Public Administration* at page 93.

*World Economic Report 1951-52*

United Nations and H.M.S.O. 1953.  
Pp. x+141. 11s.

A comprehensive review of world economic conditions is contained in this report which analyses in Part I domestic conditions in the economically developed private enterprise countries of Western Europe and North America, the centrally planned countries of Eastern Europe, and the economically underdeveloped countries of Latin America and the Far East; and in Part II changes in international trade and payments. The general picture outside

the centrally planned economies is one of slackening of demand and recession of prices.

*Catalogue of Economic and Social Projects of the United Nations and the Specialized Agencies; No. 4*

United Nations and H.M.S.O. 1953.  
Pp. viii+138. 11s.

THIS annual catalogue constitutes a description and index of the work of the secretariats of the United Nations and of the specialised agencies in the economic and social fields, including studies and surveys as well as technical services and operational activities.

*The Future of Cities and Urban Redevelopment*

Edited by COLEMAN WOODBURY. University of Chicago Press, Cambridge University Press. Pp. xix+764. 67s. 6d.

THIS symposium in five parts is one of two volumes incorporating the results of the Urban Redevelopment Study which was made possible by the generosity of the Spelman Fund of New York. The contributors, who are all distinguished planners or scholars, take human rather than technical or aesthetic problems as the starting point of their investigations and proceed to analyse the broad aims and basic problems which precede, accompany and follow the planning and execution of redevelopment programmes in urban areas. Successive parts of the book are devoted to Essays on Redevelopment: Goals, Design, and Strategy; Industrial Location and Urban Redevelopment; Urban Redevelopment and the Urbanite; Local Government Organisation in Metropolitan Areas: Its Relation to Urban Redevelopment; and the Background and Prospects of Urban Redevelopment in the United States. Although the studies reflect in a large measure the peculiar problems to which the rapid growth and heterogeneous structure of American cities have given rise, there is much in this volume to interest British administrators, town planners, architects and sociologists. The authors, for their part, show clearly the influence which concepts, such as industrial dispersal, the new town and the neighbourhood unit, originating in this country have exercised on American city planners.



## BOOK NOTES

### *Urban Development : Problems and Practices*

Edited by COLEMAN WOODBURY. University of Chicago Press, Cambridge University Press. Pp. xvi + 525. 56s. 3d.

UNLIKE its companion volume *The Future of Cities and Urban Redevelopment* which deals with long-term objectives and underlying factors, this study is devoted mainly to the major operational problems confronting the execution of urban redevelopment programmes. Compiled primarily as a handbook for those actively engaged in, or closely concerned with, redevelopment schemes in progress, it describes the actual experience already accumulated in the solution of these problems. Its six parts are devoted in turn to Measuring the Quality of Housing in Planning for Urban Redevelopment; Urban Densities and their Costs; Private Covenants in Urban Redevelopment; Urban Redevelopment Short of Clearance; and Eminent Domain in Acquiring Subdivision and Open Land in Redevelopment Programmes.

### *Appointed Executive Local Government*

By JOHN C. BOLLENS. Haynes Foundation, Los Angeles. Pp. xi + 233. Cloth bound \$3.75. Paper bound \$3.

IN spite of its general title, this study is in fact confined to California and deals with the introduction and increasing adoption in that state of the city manager system and of a more recent variant, the chief administrative officer plan. The latter is seldom found outside California. Although in theory the chief administrative office is regarded as an agent of the elected council and does not enjoy the direct administrative authority which is vested in the city manager, in practice there appears to be little difference between the actual

working of the two systems which together are responsible for 89 per cent. of the urban population of the state, including Los Angeles, San Francisco, San Diego and Oakland. In addition an increasing number of urban and rural counties in California are also adopting these forms.

The survey is based on more than 500 individual enquiries and contains not only a wealth of facts and figures, often in tabular form, relating to both forms of appointed executive, but also much background information about individual cities which helps the non-American reader to grasp the general situation and atmosphere in which California has developed such a distinctive pattern of local government. We can also learn much from the book about the city managers and chief administrative officers themselves, about their age, background, education, ambitions, personality, selection, appointment and relations with council and colleagues and with the community they serve.

### *Speaking is Your Business*

By VERA GOUGH. Bell. Pp. 127. 8s. 6d.

ALTHOUGH this little book is rather reminiscent of the advertisement which commenced "They laughed as I walked to the piano . . .", it contains a number of useful hints on public speaking, and the middle chapters on speech planning are particularly useful. Miss Gough relies a little too much, perhaps, on the competence of the would-be orator to criticise himself before his bedroom mirror.

She also tends to concentrate on the speech techniques necessary for addressing a large audience, whereas very often business executives spend more of their time speaking to committees or other small gatherings. A chapter devoted to speaking in committee would have added value to the work.

# RECENT GOVERNMENT PUBLICATIONS

THE following official publications issued by H.M.S.O. are of particular interest to those engaged in, or studying, public administration. The documents are available for reference in the Library of the Institute.

## Admiralty.

Cadet entry into the Royal Navy : report of the Committee on Cadet Entry into the Executive, Engineering, and Supply and Secretariat Branches of the Royal Navy. Cmd. 8845. pp. viii, 114. 1953. 4s.

## British Transport Commission.

Fifth annual report and accounts for 1952. H.C. 190. pp. x, 384. 1953. 10s. 6d.

## Central Statistical Office.

Monthly digest of statistics. 4s. 6d. The May issue contains a supplement giving figures of expenditure on social services by public authorities in the years 1949/50 to 1951/52.

## Colonial Development Corporation.

Report and accounts for 1952. H.C. 158. pp. vii, 62. 6 line maps. 1953. 3s. 6d.

## Colonial Office.

Appointments in Her Majesty's Colonial Service. pp. 130. 1953. 3s. 6d. Primarily for the information of persons resident outside the colonies wanting to know about possible openings and the necessary training. Contains a very useful bibliography.

Corona. Monthly. 1s. 6d. The June issue contains Lord Ogmores article "What of the Colonial Development Corporation?"

Development and welfare in the West Indies 1952 ; report by Sir George Seel. pp. 104. Colonial No. 291. 1953. 4s. Digest of colonial statistics No. 7, March-April, 1953. 5s.

Oversea education. April, 1953. Quarterly 1s. 6d.

Report by the Conference on West Indian Federation, London, April, 1953. Cmd. 8837. pp. 15. 1953. 6d.

## Committee of Privileges.

Report (complaint of Mrs. Braddock). pp. iv, 15. 1953. 9d.

## Exchequer and Audit Department.

Navy appropriation account, year ended 31st March, 1952, with the report of the Comptroller and Auditor General thereon. H.C. 70. pp. vii, 47. 1953. 2s. 6d. New Towns Act, 1946. Accounts 1951-52. H.C. 133. pp. 270. 9s.

## Forestry Commissioners.

33rd annual report for year ended 30th September, 1952. H.C. 148. pp. 90. 12 outline maps. 3s.

## General Register Office.

External migration : a study of the available statistics, 1815-1950. pp. 163. Bibliog. 1953. 8s. 6d. (*processed*).

The Registrar General's statistical review of England and Wales for the two years 1948-1949. Text, medical. pp. viii, 370. 1953. 10s.

Registrar General's statistical review of England and Wales for the year 1951. Tables, part 1. Medical. pp. x, 474. 1953. 12s. 6d.

## Iron and Steel Corporation of Great Britain.

Report and Accounts for 1951-52. H.C. 198. pp. iv, 104. 1953. 3s. 6d.

## Land Registry.

Report to the Lord Chancellor on H.M. Land Registry for the financial year 1952-1953, by the Chief Land Registrar. pp. 8. 1s.

## Lord Chancellor's Office.

Law Reform Committee. First report (Statute of Frauds and Section 4 of the Sale of Goods Act, 1893). Cmd. 8809. pp. 4. April, 1953. 3d.

## Ministry of Defence.

Appropriation account 1951-52. H.C. 45. pp. 7. 4d.

## Ministry of Education.

Education in 1952 ; report of the Ministry and the statistics of public education for England and Wales. Cmd. 8835. 1953. pp. ix, 180. 5s.

## Ministry of Health.

National Health Service. Ambulance service costing return 1951-1952. pp. 24. 1953. 3s.

# RECENT GOVERNMENT PUBLICATIONS

- Report of the Ministry of Health, 1st April, 1950, to 31st December, 1951. Part III.—On the state of the public health, being the annual report of the Chief Medical Officer for the year 1951. Cmd. 8787. pp. v., 222. 1953. 6s. 6d.
- Ministry of Housing & Local Government. Model standing orders—Contracts. pp. 8. 1953. 4d.
- Rates and rateable values in England and Wales, 1952-1953. pp. 60. 3s.
- Ministry of Labour & National Service. International Labour Conference, Geneva, June 1952: report by the delegates of H.M.'s Government in the United Kingdom. Cmd. 8825. pp. 66. 1953. 2s. 6d.
- Personnel management. (Careers for men and women series No. 35). Revised December 1952. pp. 10. 6d.
- Ministry of Transport. London traffic 1951-52. 27th report of the London and Home Counties Traffic Advisory Committee for the period. pp. 26. 1953. 1s. 3d.
- Monopolies and Restrictive Practices Commission. Report on the Supply and Export of Matches and the Supply of Match-Making Machinery. H.C. 161. pp. v, 136. 1953. 4s. 6d.
- National Film Finance Corporation. Annual report and statement of accounts for the year ended 31st March, 1953. Cmd. 8816. pp. 22. 1s.
- National Health Service. Accounts 1951-52. H.C. 139. pp. vi, 38. 2s. Summarised accounts of Regional Hospital Boards, Boards of Governors of teaching hospitals, Hospital Management Committees, Executive Councils and the Dental Estimates Board, for England and Wales.
- Parliament. The Ministry of Pensions: proposed transfer of functions. Cmd. 8842. pp. 11. 1953. 6d.
- Parliamentary papers. Sessional index for session 1950-51. H.C. 295. pp. 146. 4s. 6d.
- Raw Cotton Commission. Annual report and statement of accounts for the year ended 31st August, 1952. H.C. 197. pp. 50. 1953. 1s. 9d.
- Royal Commission on Scottish Affairs. Vol. III. Memoranda submitted to the Royal Commission by the Great Britain departments other than H.M. Treasury and the Trade and Industry Departments. pp. 223. 1953. 6s. Summarises the functions and organisation of various ministries and departments in the social services group, transport and civil aviation, revenue and service departments, and others, including the Arts Council.
- Scottish Department of Health. National Health Service (Scotland). Hospital costing returns for year ended 31st March, 1952. pp. 63. 10s.
- Scottish Education Department. Education in Scotland in 1952. Cmd. 8813. pp. 107. 3s. 6d.
- Scottish Health Services Council. The second interim report of the Joint Committee on Prescribing. pp. 7. 1950 (reprinted 1953). 4d.
- Scottish Home Department. Police pensions: report of the Working Party of the Scottish Police Council. pp. 14. 1953. 6d.
- Report of H.M.'s Inspector of Fire Services for Scotland for 1952. Cmd. 8812. pp. 16. 6d.
- The Scottish rating system: report of the Committee appointed to enquire into the effect of the rating system on the provision of houses, and liability for rates in respect of empty or unused premises. Cmd. 6595. pp. 34. 1945 (reprinted 1953). 1s. 3d.
- Select Committee on Estimates, 1952-53. Third report.—Call-up, posting and movement of national servicemen. H.C. 132. pp. xiv, 85. 4s. 6d.
- Fourth report — Export credits. H.C. 149. pp. xiv, 51. 1953. 3s. 6d. Contains memorandum on the Organisation and Functions of the Export Credits Guarantee Department.
- Fifth report—Roads. H.C. 163. pp. xxii, 165. 1953. 7s.
- Sixth report — Monopolies and Restrictive Practices Commission. pp. x, 48. 1953. 3s.
- Seventh report — Rearmament. H.C. 178. pp. xxviii, 169. 1953. 7s. 6d.

## PUBLIC ADMINISTRATION

Eighth report — Schools. H.C. 186. pp. xxii, 233. 1953. 9s.

Ninth report — Departmental replies. 1. Royal Ordnance factories. 2. Reports of sessions 1946-47 to 1950-51. H.C. 187. pp. 40. 1953. 1s. 3d.

### Statutory instruments.

S.I. effects : a table recording the effect of Statutory Instruments on previous Statutory Rules and Orders and Statutory Instruments as at 31st December, 1952. pp. 138. 1953. 5s.

### Treasury.

Civil estimates and estimates for revenue departments 1953-54. Memorandum by the Financial Secretary to the Treasury and tables. H.C. 92-Memo. pp. 66. 3s.

Financial statement (1953-54). H.C. 147. pp. 31. 1s. 3d.

Government statistical services. pp. 28. 1953. 1s. 6d. Collection of data, methods of tabulation, organisation. Appendix A sets out the particular subjects covered by the various govern-

ment departments or offices, while Appendix B lists the principal statistical reports published and the department or organisation responsible.

### Treasury.

National Insurance Act, 1946. Third report by the Government Actuary for the year ended 31st March, 1952. H.C. 192. pp. 16. 6d.

Public income and expenditure year ended 31st March, 1953. H.C. 160. pp. 8. 6d.

Report of the Committee on the taxicab service. Cmd. 8804. pp. 34. 1s. 3d. Recommends that vehicles should be exempt from purchase tax and from the operation of the Hire-Purchase and Credit Sales Agreements (Control) Order, 1952.

Report of the Purchase Tax (Valuation) Committee. Cmd. 8830. pp. iv, 51. 1s. 9d.

United Kingdom balance of payments, 1949 to 1952 (No. 2). Cmd. 8808. pp. 43. 1s. 9d.

## ***Adapting a British Political Invention to American Needs***

By PAUL P. VAN RIPER

*Dr. Van Riper is an Associate Professor of Administration in the School  
of Business and Public Administration, Cornell University, U.S.A.*

IN recent discussions with a number of representatives of foreign countries I have had put to me many questions concerning the nature and development of the American civil service. There seems to be a general impression abroad that the public service of the United States has, as we sometimes put it, "just growed" without much conscious direction.

To a limited extent this is true. However, a fairly complete legislative foundation for the development of a civil service based on examinations and merit in the English manner has existed in the United States since the passage of the Pendleton Act of 1883.<sup>1</sup> This particular piece of legislation today enjoys the unusual distinction of still being on the legal books and without important amendment since its passage seventy years ago. Further, this particular legislative act was partly prompted by the recognition in this country of the accomplishments of British civil service reform. Essentially, the passage of the Pendleton Act of 1883 represented the adaptation of a British political invention to the constitutional and administrative needs of the United States.

What I want to discuss briefly here is the nature of the Pendleton Act of 1883 and the general concepts involved in this piece of legislation which is still today the fundamental civil service statute of the federal government of the United States. An understanding of this statute and the motives behind its formulation are essential to an understanding of the American public service of today.

### *The Political Situation*

Briefly summarising, the passage of the Pendleton Act was the culmination of a civil service reform movement dating back to the time of the Civil War. The scandals of the Grant administration in the late eighteen-sixties and early seventies, the British example, the work of a small group of well-known individuals of whom Carl Schurz, George William Curtis, and Dorman B. Eaton were the leaders, the brief experience with limited civil service procedures under the authority of a rider to an appropriation bill passed in 1871, together with the catalytic effects of President Garfield's assassination

<sup>1</sup>22 U.S. Statutes, 403 (1883).

by a disappointed office-seeker and the likelihood of a Republican loss of the presidency in 1884, were responsible for the final appearance of a general civil service statute.<sup>2</sup>

There has been a tendency, even in the United States, to consider the passage of the Pendleton Act as a recognition of the need for business methods in government. Actually, the new law represents the culmination of the first successful reform movement in the United States after the Civil War—a reform movement which was largely an attempt to purify the political process from a moral standpoint, by setting up a system whereby men of honesty and integrity could be induced to enter and remain in the public service. As Carl Schurz put it in 1872: "I have long considered the reform of the civil service, the destruction of the corrupting and demoralising influences of the patronage, the elevation of the moral tone of our political life, as one of the most important problems, second, perhaps, to none, among those we have to solve for the success and perpetuation of our republican institutions."<sup>3</sup> Concepts of "efficiency and economy" were also involved, but were strictly subordinate to what Eaton frequently termed the "greater" issues, referring to the moral issues.

#### *Fundamentals of the Act*

The legislative debate which preceded the passage of the Pendleton Act was limited almost exclusively to the Senate. When the bill came before the House of Representatives almost all attempts to speak to the bill were literally shouted down and it was overwhelmingly approved. The most likely explanation for the difference in legislative attitude lies in the fact that the members of the House knew they would be affected by the next election far more than the Senate—and the House was taking no chances. Reform was too important an issue at this time.

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<sup>2</sup>The rider of 1871 (16 U.S. Statutes, 514) is also still on the legislative books. It permitted the President to set up standards for admission to the civil service and under its authority President Grant appointed a short-lived Civil Service Commission which functioned from 1871 to 1875. Political opposition to the work of the Commission coupled with a Congressional refusal to appropriate funds caused the demise of the new agency in 1875. The Pendleton Act was essentially a redefinition of the statute of 1871—which was, incidentally, only one short paragraph in length—and which finally put Congress on record as supporting, in a positive legislative fashion, what Grant had endeavored largely to build up under presidential auspices alone. For the history of this earlier Commission, which did set a number of important administrative precedents, see Lionel Murphy, "The First Civil Service Commission: 1871-75," *Public Personnel Review*, III (January, July, October, 1942), pp. 30ff. For further information see the only history of the American public service, by Carl Russell Fish, *Civil Service and the Patronage* (New York: Longmans, Green and Co., 1905). The author of this article is engaged in completing a new history of the federal civil service which will be designed to revise and supplement the work by Fish and bring it up to date.

<sup>3</sup>As quoted in Ruth M. Berens, "Blueprint for Reform: Curtis, Eaton, and Schurz" (unpublished Master's thesis, Department of Political Science, University of Chicago 1943), p. 209.



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The Senate debate—the best evidence of immediate legislative intent and expectation—was, however, detailed and exhaustive.<sup>4</sup> This debate, plus the reports of two Senate committees, together with a consideration of the implications of certain events of the preceding twenty years or so, make possible a fairly clear analysis of the thinking involved in the new legislation<sup>5</sup>—thinking which, to a large extent, is still current in the United States.

The Pendleton bill as reported to the Senate<sup>6</sup> provided, basically, for the adoption of the British civil service system in the United States. A commission was to administer competitive examinations; entrance into the public service would be possible only at the bottom; a full-scale career service was implied; and the offices were not to be used for political purposes. Throughout the Senate debate reference was constantly made to British experience and the effects of the reform in Europe were continually brought to the attention of the legislators.

However, only in a very general way did the act as finally approved follow the British reform pattern. In America, as in England, the pivotal concept was the idea of competitive examinations for entrance into the public service. The Senate Committee on Civil Service and Retrenchment, in reporting the Pendleton measure, said: "The single, simple, fundamental, pivotal idea of the whole bill is that whenever, hereafter, a new appointment or a promotion shall be made in the subordinate civil service in the departments or large offices, such appointment or promotion shall be given to the man who is best fitted to discharge the duties of the position, and that such fitness shall be ascertained by open, fair, honest, impartial, competitive

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<sup>4</sup>Carl Fish describes the debate as "... entirely unworthy of the occasion, hardly touching any of the serious considerations involved; ..." *Op. cit.*, p. 218. This writer cannot accept this judgment, for nearly all the major problems involved in the legislation were discussed and rediscussed at length. Innumerable amendments—seldom deliberately obstructionist—were considered and many adopted. The effects of the proposed legislation upon the constitutional position of the President and Congress, upon the party system, upon the civil service, and upon the public in general were thoroughly explored as far as anyone could predict them. Political assessments, the corruption of the previous twenty years, and the history of the reform before 1883 in both the United States and Great Britain were presented in detail. All in all the debate filled nearly two hundred pages in the *Congressional Record*.

That a considerable proportion of the debate revolved around a strictly partisan argument over responsibility for the system being reformed is quite true. But the major portion of the debate—occupying by far the greater part of the Senate's time for two weeks—was certainly to the point.

<sup>5</sup>For the debate see the *Congressional Record* which records almost daily debate in the Senate from 12th December, 1882, up to 27th December, 1882, the date of the passage of the bill by the Senate. For the only important hearings on the legislation see U.S. Congress, 46th Cong., 3d Sess., Senate Report No. 872, *The Regulation and Improvement of the Civil Service* (1881); U.S. Congress, 47th Cong., 1st Sess., Senate Report No. 576, *Report of the Committee on Civil Service and Retrenchment* (1882). In the House there were no committee reports of even minor importance. The House approved the bill on 4th January, 1883, and President Arthur signed it on 16th January.

<sup>6</sup>The first bill introduced by Senator George H. Pendleton of Ohio, after whom the bill was named, was a variation on a proposal of the eighteen-sixties. But, while the bill was in committee, Dorman B. Eaton, representing both the defunct Grant Commission and the National Civil Service Reform League, approached Pendleton and persuaded him to accept the reformers' substitute measure. This new bill, substantially the one first reported to the Senate in 1881, was also the one which furnished the basis for the debates of December, 1882.

examination."<sup>7</sup> Though the old idea of pass-examinations<sup>8</sup> was occasionally referred to, the Senate showed no inclination to challenge the fundamental idea of entrance into the public service via a really serious competition.

At the same time Congress accepted the idea of a relative security of tenure for employees entering the service through the examination system. In the first place, the whole idea of entrance by examination meant, in itself, a considerable guarantee of tenure. That the proponents of the legislation hoped to control removals by eliminating the incentive for removals is clear. But beyond this, the new law forbade appointing officers to remove classified<sup>9</sup> employees for refusal to be active politically. To be sure, this prohibition was not reinforced by any criminal penalty and its execution was entirely up to the pleasure of the executive branch of the government. There was little the Civil Service Commission—which was recreated by the act—itsself could do about political removals, other than investigate and publicise, in the absence of executive support. But the President had given every evidence of desire to support any declaration of Congressional intent and the position of Congress on the elimination of politics from the competitive service was clear.<sup>10</sup>

The final concept for which we owe any debt to the British is that of the neutrality of the civil service, even though we did not immediately accept the concept in its most complete form. As mentioned above, Congress acquiesced in a provision designed to control removals for political purposes. But, in addition, it forbade any employees covered by the new act "to coerce the political action of any person," and the new commission was directed to prepare rules to implement this prohibition as well as that directed against political removals of competitive employees. Further, the Senate amended the proposed act to provide substantial penalties for political assessments of or by competitive employees or by any other federal public officials. However, only in the case of assessments was any criminal penalty attached. Again, the constitutional authority as well as the inclination of the chief executive was to be relied upon. Nevertheless, it was possible for an interested executive to develop a civil service which would tend toward non-partisanship should he consider it desirable to do so. It would, however, take a President Cleveland and a President Theodore Roosevelt to turn this possibility into something approaching a reality. In effect, the Pendleton Act *demand*ed non-partisanship in initial selection procedures (for a limited number of positions) but only *encouraged* non-partisanship in other matters.

We can conclude, then, that the effect of the American legislation of 1883 was to stimulate the development in the United States of the most essential elements of the British conception of what we in the United States term the "merit system," that is, a system of civil service recruitment and

<sup>7</sup>U.S. Congress, Senate Report No. 576, *op. cit.*, pp. IX-X.

<sup>8</sup>Pass-examinations dated back in some government departments to as early as the middle eighteen-fifties. They were, however, never used on a full-scale basis and were frequently a farce.

<sup>9</sup>Term used to describe employees occupying positions for which competitive examinations were required.

<sup>10</sup>See President Arthur's messages to Congress on 6th December, 1881, and 4th December, 1882. Moreover, everyone understood that the trouble was with the legislative branch rather than the executive branch. The former, not the latter, had forced the dissolution of the competitive system as first established under President Grant.

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organisation based on: (1) competitive examinations; (2) relative security of tenure; and (3) political neutrality.

On the other hand, the new act also reflected peculiarly American patterns of thought and action. If we appropriated the main outlines of the foreign device, we were anything but abject copyists and we thoroughly adjusted it to the American political and social climate.

In his first annual message to Congress,<sup>11</sup> President Arthur, in a reference to the Pendleton bill—even then before the Senate—noted its “. . . conformity with the existing civil service system of Great Britain.” But he also noted, with considerable insight, that “. . . there are certain features of the English system which have not generally been received with favour in this country, even among the foremost advocates of civil service reform.”<sup>12</sup> The problem was to reconcile British ideas with American experience and inclination.

#### *The Power to Hire*

First of all, despite our fundamental debt to the British for the idea of competitive examination for public office, the American conception of a proper examination differed radically from that of the British. Our main objection to such examinations as had already been used in testing for entrance to the public service under the Grant Commission was that the examinations were too theoretical. Therefore, as a precautionary measure the Senate, by an amendment to the original legislation, instructed the new commission to make its tests “practical in character” and related to the duties that would be performed. The Senate was not interested in—many of its members probably did not even understand—the academic essay-type of civil service testing then—and frequently still—current in Great Britain. Americans wanted their tests to be clearly related to the work to be done, and the Senate was highly critical of any motions toward the theoretical, the abstract, or the “impractical.”<sup>13</sup> The tendencies of testing development in this country have since 1883 consistently reflected this basic American idea of the desirability of the “practical.”

But especially were a number of senators incensed over the proposal of the Pendleton bill to permit entrance into the public service *only* “at the lowest grade.” Of all the clauses in the legislation this one received the most attention and the most criticism.<sup>14</sup> Finally, Senator Pendleton himself proposed an amendment to strike out the offending statement, and it was overwhelmingly accepted without even the formality of a roll call. The Senate then also amended the provision for promotional examinations to open them up to more general competition than had been originally envisaged. We had no desire to develop an entirely ingrown civil establishment.

While the British civil service was to become a mechanism normally closed to outsiders except at the bottom, the American federal service was

<sup>11</sup>6th December, 1881.

<sup>12</sup>James D. Richardson, ed., *A Compilation of the Messages and Papers of the Presidents, 1789-1902* (New York: Bureau of National Literature and Art, 1905), VIII, 60.

<sup>13</sup>*Congressional Record*, 47th Cong., 2nd Sess., pp. 245-247, and 358.

<sup>14</sup>See, for instance, *ibid.*, pp. 278, 321, 469, and 505.

to continue to be infiltrated by new talent at all levels. American ideas of mobility and equality of opportunity were influential enough to prevent the adoption of the British recruitment and examination system in its entirety. From 1883 to this day one may enter the American public service at almost any level and at almost any age. Indeed, the adoption of age and other restrictions tending to prevent this mobility has on many occasions been bitterly attacked in the United States as "undemocratic." During the senatorial debate, Senator Williams of Kentucky, for example, clearly reflected this basic attitude when he concluded: "Rotation in office, change, is an absolute necessity. Our whole system abhors perpetuity. Rotation and change, the frequent examination of the servant's accounts, and the frequent removal of the servant himself, is an essential element to secure a perpetuity of free institutions."<sup>15</sup>

Throughout the entire period of this study the federal public offices have never been permitted to form any kind of closed bureaucratic system on the European pattern. Social mobility has been nearly as characteristic of the employees of the American public service as of the remainder of the nation's working force. The foundation for such a mobile system—unique among modern national public services—was laid in the legislation of 1883.

In several minor details of recruitment procedure the act also paid its respects to the Jacksonian theories of democracy in public office, and especially to the idea of rotation in office. No more than two members of the same family were declared to be eligible for public office. And the majority of the clerical offices in the city of Washington were to be filled according to an "apportionment" of offices among the states, based upon population. This last provision, while not mandatory, was to be followed so far as practicable, and its inclusion in the act undoubtedly secured much political support for the reform which otherwise might have been withheld. Whether they fully realised it is doubtful, but the authors of the legislation of 1883 and their political supporters were taking as few chances as possible that there would be developed in America a national civil service which might not be representative—in terms of geography, mobility, ideals, and outlook—of the nation as a whole.

### *The Power to Fire*

Not only did we in America refuse to accept the British examination system in its entirety, but we also refused to accept the absolute security of tenure that was often being guaranteed to European civil servants.

As Americans venerated the mechanism of the state somewhat less wholeheartedly than most Europeans, we refused to accord unusual tenure privileges to its representatives. Both the original civil service reformers and most American legislators have consistently fought against an overly absolute tenure as undesirable and unnecessary for civil service reform, rightly considered. Life tenure in office had been repudiated in 1829 and there was no desire to revive the idea in 1883.

Since 1829 the principal American quarrel over tenure had been over whether the power to remove should be left primarily in the hands of the

<sup>15</sup>*Ibid.*, p. 504.

President or in the hands of Congress. That the removal power of the President was left pretty much untouched was the outstanding difference between the early pre-Civil War attempts at civil service reform and the Act of 1883. Under the new legislation there was no bar to opening the so-called "back-door" to the classified service as long as the removal was not for partisan political reasons. Undoubtedly the failure of the principal attempt to limit the executive removal power—the attempted impeachment of President Johnson—helped to force political minds to think in other terms. Senator Hoar of Massachusetts represented a fairly typical opinion when he said during the course of the Senate debate on the Pendleton Act:

The measure commends itself to me also because . . . it does not assert any disputed legislative control over the tenure of office. The great debate as to the President's power of removal, . . . which began in the first Congress, . . . does not in the least become important under the skilful and admirable provisions of this bill.

It does not even . . . deal directly with the question of removals, but it takes away every possible temptation to improper removals.<sup>16</sup>

However, a considerable portion of the credit for this innovation must be given to the reformers, who consistently emphasised that, if the "front-door" were properly tended, the "back-door" would take care of itself. The supervision of the one would remove the incentive for the abuse of the other. George William Curtis, for instance, felt in 1876 that any system of "removal by lawsuit" would completely demoralise the service:

Having annulled all reason for the improper exercise of the power of dismissal, we hold that it is better to take the risk of occasional injustice from passion and prejudice, which no law or regulation can control, than to seal up incompetency, negligence, insubordination, insolence, and every other mischief in the service, by requiring a virtual trial at law before an unfit or incapable clerk can be removed.<sup>17</sup>

Senator Pendleton accepted the reformers' view of the proper way to regulate dismissals, and it was not successfully challenged in the debates that followed. The Act of 1883 left the President in control of his own household as far as the power to fire was concerned.

#### *Administrative Details*

From an administrative point of view the act was based firmly upon the experience gained from the ill-fated Civil Service Commission of 1871-75, appointed by President Grant. In fact, the new law provided that the President should have all the powers of the 1871 legislation not inconsistent with the Pendleton Act.<sup>18</sup> Similarly, an already existing military preference statute of a mild, exhortatory character was specifically integrated into the bill. The legislation reflected little that was new and unusual as far as the

<sup>16</sup>*Ibid.*, p. 274.

<sup>17</sup>As quoted in Berens, *op. cit.*, p. 50. More recent legislation and custom have tended somewhat to close the back door but, compared to European practice, it is still ajar.

<sup>18</sup>See footnote 1 concerning the Grant Commission and the law of 1871.

basic details of the arrangement were concerned. Senator Pendleton, in answering the first question put to him after concluding his initial speech in favour of the bill, replied that "... this system is not entirely new, but that to a very large extent in certain offices in New York, in Philadelphia, and in Boston it has been put into practical operation under the heads of the offices there, and that they have devised, with the assistance of the commission originally appointed by General Grant, but largely upon their own motion, a system which I suppose would, to some extent, be followed under this bill."<sup>19</sup> The careful statement of a careful legislator, his remarks nevertheless indicate where indebtedness was due.

The chief agent of the executive branch in the establishment of the new recruitment system was to be a bi-partisan Civil Service Commission of three members on full-time duty—to be appointed by the President with the advice and consent of the Senate. The administration of the examination system was to be directed by a chief examiner.<sup>20</sup> He would co-ordinate the work of the local examination boards, organised from among other government employees in local areas in co-operation with the other departments of the government. But the members of these local boards were to remain attached to their departments and were only to be "detailed" to the Commission as needed for examination purposes. Only a very few permanent employees were expected to work full-time for the Commission itself. The dependence upon other departments for working personnel was later, as the work became more and more complex and less and less a part-time operation, to cause the Commission many headaches. However, the "local board" system still remains, even though the Commission now has a permanent staff of more than 4,000 employees.

The new agency was required to keep the necessary records and to make the normal investigations and reports to Congress through the President. As soon as possible, it was to publish its rules implementing the act, subject of course to the approval of the President. For housekeeping purposes the Secretary of the Interior was designated to provide quarters and essential supplies for the new organisation. He had, however, no other jurisdiction over the Commission. This arrangement, too, proved unsatisfactory and has long since been terminated.

In its minor details the act took care of a number of miscellaneous matters. It provided for a probationary period of six months. Applicants were forbidden to present recommendations other than as to character and residence. Drunkards were made ineligible for governmental positions. And appointments were to be made from "among those graded highest." This latter phrase, used for constitutional rather than administrative reasons, was the result of an opinion of the Attorney General to the effect that the regulations must provide some discretion for the appointing officer. That the "rule of three," followed still today, was based primarily upon con-

<sup>19</sup>*Congressional Record*, 47th Cong., 2nd Sess., p. 207. The New York, Philadelphia, and Boston references were to experimental postal and custom-house competitive examination systems established in these cities at the direction of President Hayes under the law of 1871 and largely continued under President Arthur.

<sup>20</sup>For many years the chief examiner was also the principal administrative officer of the Commission. The chief administrative officer is now the "executive director."



stitutional necessity, rather than upon administrative desirability or upon any occult power of the word "three," is often forgotten.<sup>21</sup>

To assure the integrity of the administrative arrangement the act provided that any commissioner or other public employee who might be found guilty of any collusion or corruption in the administration of the new examination system should be open to punishment by a fine of up to a thousand dollars or imprisonment up to a year or both.

### *Constitutional Questions*

In yet another important respect the Pendleton Act reflected the peculiarities of the American constitution as well as those of the political tendencies of the times. The new legislation was—for the most part—*permissive* rather than mandatory. That is, the act itself provided that only slightly over 10 per cent. of the positions in the federal public service—mainly clerical positions in Washington and in post offices and customs houses employing fifty or more persons—should be brought under the merit system of competitive examination and relatively secure tenure to form what was then to be called the "classified civil service". The remainder of the civil service was left "unclassified", to be brought under the new regulations by Executive Order when and if the President saw fit. The only public officials exempted from the authority of the President under the act were labourers and those whose appointments were subject to the advice and consent of the Senate, altogether perhaps not more than 20 per cent. of the federal civil service, which in the eighteen-eighties approached a hundred and forty thousand.

The permissive nature of the act—a relatively unusual characteristic in American legislation—stemmed from two somewhat different but temporarily compatible sets of circumstances. That is, it was both politically and also administratively impossible in 1883 to apply the merit system to the entire federal civil service. Administratively, the Civil Service Commission simply was not up to a complete job as yet. It took time to develop examinations and to organise boards to administer the examinations, as well as to obtain the co-operation of the departmental agencies and the general public.<sup>22</sup>

From the political side, permissiveness also had its advantages. The politicians were able to announce that they had accomplished the desired reform—the rest being up to the President—knowing full well that they would not be hurt through a too sudden or drastic curtailing of their patronage. The act permitted an orderly retreat of parties from their ancient prerogatives of plunder; it made possible as well the gradual administrative development

<sup>21</sup>A rule of "four" was adopted from 1883 to 1888.

<sup>22</sup>In testifying before the Senate Select Committee to Examine the various Branches of the Civil Service, on 13th January, 1881, concerning the Pendleton proposal, Dorman B. Eaton said: "Another observation I want to make is, that I think no law should be passed which would require the application of this system of examinations to the whole civil service of the government at once, or even to all that part to which it is legitimately applicable, as I have defined it. It would be too large altogether. . . . We have got to create the machinery. . . . In bringing new men together and entering for the first time upon a new system, you would be utterly overslaughed and broken down if you were to be required to carry it all on at once." U.S. Congress, Senate Report No. 872, *op. cit.*, pp. 19-20.

of the merit system.<sup>23</sup> Had the merit system been forced to wait for precise formulation and expansion by successive Congresses, no one knows what the result might have been. Under the law of 1883, the President was free to move as fast or as slow as political circumstances might permit—under the broad, general rules laid down by Congress. The permissive feature was thus in one sense a recognition of practical political as well as administrative realities.<sup>24</sup>

In another sense, it was probably necessary from a constitutional point of view. The divided authority of the President and the Congress over personnel matters is well known. However, there is something more yet to say.

From the very beginning of the civil service reform movement, a large number of congressmen and politicians questioned the constitutionality of the new political device. Lionel Murphy, in his history of the first Civil Service Commission appointed by President Grant in the early 1870s, has described how the new plan for centralised control of public personnel administration in the hands of a commission was attacked as an unconstitutional invasion of the powers both of Congress and of the President over personnel matters. The members of this commission felt they had to defer any plans for a merit system until they first received an opinion by Attorney General Akerman on the constitutionality of the proposed arrangement.<sup>25</sup>

Akerman's opinion, however, did not fully resolve the conflict. One cannot join what is deliberately put asunder. He insisted that it was not constitutional for Congress by law to give to the Commission power which the Constitution places in the President, the department heads, and the courts of law. Congress "has no power to vest appointments elsewhere, directly or indirectly."<sup>26</sup> However, in support of the Commission, Akerman went as far as he could go. He concluded that "the test of a competitive examination may be resorted to in order to inform the conscience of the appointing power, but cannot be made legally conclusive upon that power against its own judgment and will."<sup>27</sup> And further, he stated: "Though the appointing power alone can designate an individual for an office, either Congress, by direct legislation, or the President, by authority derived from Congress, can prescribe qualifications, and require that the designation shall be made out of a class of persons ascertained by proper tests to have those qualifications . . ."<sup>28</sup>

The ultimate constitutional dilemma involved in the regulation of the powers of appointment and removal within the American framework of

<sup>23</sup>In his study of civil service law, Oliver Field regards this permissiveness as a defect in the federal personnel legislation. Oliver P. Field, *Civil Service Law* (Minneapolis: University of Minnesota Press, 1939), p. 4. In the author's opinion this aspect of the Pendleton Act was the only thing which made possible the orderly development of any merit system at all. It is also open to question whether more mandatory legislation would have been constitutional.

<sup>24</sup>Today approximately 95 per cent. of the Federal civil service has been placed within the classified service and 2 to 3 per cent. more functions under variations of the merit system—e.g., the Foreign Service of the Department of State—operated by agencies other than the Civil Service Commission.

<sup>25</sup>13 *Op. Att. Gen.* 516 (31st August, 1871).

<sup>26</sup>*Ibid.*, p. 521.

<sup>27</sup>*Ibid.*, p. 524.

<sup>28</sup>*Ibid.*, p. 524.

government is well put in the unusually forthright conclusion to Akerman's opinion:<sup>29</sup>

The act under which the present civil service commission has been organised gives the President authority "to prescribe such rules and regulations for admission of persons into the civil service of the United States as will best promote the efficiency thereof," and this very ample authority will certainly embrace the right to require that the persons admitted into the service shall have been found qualified by competent examiners.

It has been argued that a right in Congress to limit in the least the field of selection implies a right to carry on the contracting process to the designation of a particular individual. But I do not think this a fair conclusion. Congress could require that officers shall be of American citizenship of a certain age, that judges should be of the legal profession and of a certain standing in the profession, and still leave room to the appointing power for the exercise of its own judgment and will; and I am not prepared to affirm that to go further, and require that the selection shall be made from persons found by an examining board to be qualified in such particulars as diligence, scholarship, integrity, good manners, and attachment to the Government, would impose an unconstitutional limitation on the appointing power. It would still have a reasonable scope for its own judgment and will. But, it may be asked, at what point must the contracting process stop? I confess my inability to answer. But the difficulty of drawing a line between such limitations as are, and such as are not, allowed by the Constitution, is no proof that both classes do not exist. In constitutional and legal inquiries, right or wrong is often a question of degree. Yet it is impossible to tell precisely where in the scale right ceases and wrong begins. Questions of excessive bail, cruel punishments, excessive damages, and reasonable doubts are familiar instances. In the matter now in question, it is not supposable that Congress or the President would require of candidates for office qualifications unattainable by a sufficient number to afford ample room for choice.

Very respectfully, your obedient servant,

A. T. AKERMAN.

There was little else that Akerman could say under our existing constitutional arrangement and the principles of his opinion still govern today. No wonder Oliver Field considers the legal basis of our Federal merit system to be somewhat uncertain and has concluded that in the states—all of which also have separation of powers—as well as in the Federal government:

The theory upon which civil service laws have been upheld as constitutional, in so far as they affect the appointing power itself, is that the officer to whom the appointing power is given retains that discretion which it was intended he should exercise in making appointments, but that as an aid to his exercise of the power, another body may

<sup>29</sup> *Ibid.*, pp. 524-525.

be given the power to determine the qualifications necessary for the position under consideration.<sup>30</sup>

After Akerman's opinion and much discussion of the problem, Congress did not feel that it should—it is questionable if it legally could—go too far in making the provisions of the Pendleton Act mandatory upon the President.<sup>31</sup> As a result, this act—and others like it, such as the more recent Ramspeck Act—for the most part merely authorises, but does not require, the President to place offices in the classified civil service and under the merit system. This means that practically all federal employees under the merit system are there by Executive Order. Thus it would be quite legal for the President today to return to the processes of spoils politics practically all the public offices now under the merit system. All the President needs do to accomplish this is to issue another Executive Order. Actually several Presidents have returned positions to the unclassified service, McKinley, for instance, returning several thousand during his first term in office.

To put the whole problem another way: the constitutional realities of separation of powers made it impossible for the American Congress to make the competitive system mandatory in the way that it had been made mandatory in Great Britain. From a superficial examination of the situation it might seem as if the British had faced a similar problem—one to be solved in a similar fashion. British constitutional opinion, like American, has agreed that the executive branch could be advised—but not fully directed—in its selection of personnel.

But the similarity ends there. The British Crown is not—nor was it in mid-nineteenth century—an executive comparable to the American Presidency. The one is shadow; the other is real. There has never been any great conflict in modern England arising from the separation of powers. That the British competitive system was the result of a series of Orders in

<sup>30</sup>*Op. Cit.*, p. 13. See also footnote 23.

<sup>31</sup>Indicative of the current thinking on the subject was the testimony of George William Curtis before the Senate Committee on Civil Service and Retrenchment on 26th February, 1882. Curtis is speaking here of both bills then before the Committee—that of Pendleton and another temporarily proposed by Senator Dawes of Massachusetts—and was replying to questions by two senators concerning the effect of the bills upon the relationship of the President to the proposed commission: "Of course the bills in no sense change the President's constitutional power. The Pendleton bill simply recognises that the President appoints, and substantially they both provide for the same exercise of power, so far as that is concerned, although the exercise is different in its details. If the President chose to disregard it, he would take no action, and there would be no remedy except in public opinion. *The whole thing presupposes a friendly President.*" (Author's italics.) U.S. Congress, Senate Report No. 576, *op. cit.*, p. 178. During the entire legislative debate and in the two major committee reports there was no attempt to change the Presidential relationship described by Curtis.

There were, however, those, like Senator Van Wyck of Nebraska and Senator Call of Florida, who felt that the Pendleton bill—because it affected the power of the President so little—was basically unnecessary in light of the legislation of 1871. If the bill only outlined what the President already had authority to do—then why bother? But the Senate in 1882 generally accepted the proposition that, without Congressional approval and encouragement, it was impossible for the executive branch to carry out the reform alone. Moreover, the portions of the bill which provided for criminal sanctions for several types of offences were clearly beyond the power of the executive branch, acting alone. See the *Congressional Record*, 47th Cong., 1st Sess., pp. 470-471 and 555 for the position of the two senators referred to above.

Council is well known, but those Orders in Council actually represented the Cabinet which in turn represented the legislative branch of the government.

British reform was the result of what was in effect legislative requirement and legislative mandate. In the United States the legislative branch had attempted to coerce the executive branch in a similar fashion in the eighteenth-sixties and failed. The Pendleton Act recognised that failure and attempted to avoid another such impasse. American constitutional realities simply are not British constitutional realities and the American version of British civil service reform has reflected—and will continue to reflect—such fundamental differences in governmental organisation.

### *Safeguards*

If the Pendleton Act left the President's power to hire and fire relatively unimpeded, what safeguards were planned by a Congress which had not long before threatened a President with impeachment in an effort to control his relationship to public office-holders? In the first place, the development of the merit system was conceived as just as effective a check against the President as against Congress. If Congress could not control the offices, then, under the merit system, nobody would. Further, the agency administering the new law was created in the form of a three-man commission, no more than two of whom were to be of the same political party. Finally, the commission was not to form a part of the normal administrative hierarchy. The new agency was to be as non-political as possible and as free from interference from either the executive or the legislative branches as possible under the American constitution.<sup>32</sup> The Civil Service Commission thus became the first of the separate commissions, devised to remove controversial issues from the hands of the usual administrative and political channels and thus to avoid after a fashion some of the most acrimonious of the Presidential-Congressional impasses.

Nevertheless, the Civil Service Commission differs in several important respects from later regulatory boards such as the Interstate Commerce Commission. Its members may be removed without restriction; and, while the administration of the system is in the hands of the three Commissioners, they are dependent upon the President for approval of any regulations which they may make. It is their duty to advise the President on matters of policy affecting the public service, but the regulations themselves, as specified in the act, derive their authority from and are promulgated by the President. Therefore, as the President is the principal source of its legal power and authority, the Commission cannot properly be classed as an *independent* commission. It represents, however, a political innovation of some importance, designed because of a desire to neutralise—if not bridge—the effects

<sup>32</sup>The Senate Committee on Civil Service and Retrenchment, on reporting the Pendleton bill in 1882, said: "Such a board is necessary to secure the coherence, the authority, the uniformity, the assurance of freedom from partiality or influence which are vital to the system." U.S. Congress, Senate Report No. 576, *op. cit.*, p. X. Earlier, in reporting a similar bill to a previous Congress, the Senate Select Committee on the Civil Service also concluded: "The commission needs a firm tenure, and should be as far as practicable removed from partisan influences. It needs to have knowledge of the practical methods of the departments, without falling under mere official control." U.S. Congress, Senate Report No. 872, *op. cit.*, p. 12.

of a constitution based upon a separation of powers. The emergence of a new<sup>33</sup> administrative pattern on the Federal scene was undoubtedly related to a perception by Congress—whether consciously verbalised or simply sensed does not matter—that the relatively novel idea of political neutrality in civil service selection methods deserved a relatively novel administrative solution if it was to survive. As civil service reform was the first far-reaching governmental reform after the Civil War, so was it the first to be subject to special administrative treatment which to this day Congress has not seen fit to change in any substantial detail.

### *Conclusion*

Altogether, the Pendleton Act came out of a past which can easily be analysed. The essential ideas can be traced to England—at least Americans were more influenced by British rather than Continental examples—but the details of the system, and even the manner in which the basic concepts themselves were administratively implemented, were definitely American, developed in accord with the requirements of our constitution and American tradition and experience. That the Pendleton Act was so thoroughly integrated with the general tendencies of the nation undoubtedly explains why it has existed for seven decades without major amendment.

<sup>33</sup>The word "new" is perhaps not entirely justified—except in so far as the Civil Service Commission was the first federal agency of considerable importance and permanence to be organised as a semi-independent, bi-partisan agency for what, in the days of its formation, was considered a kind of policing function.



# The Minister of National Insurance as a Judicial Authority

By NEVILLE D. VANDYK, Ph.D., B.Com.

*In view of the controversy about the desirability of Ministers exercising appellate functions, Dr. Vandyk's impartial survey of the manner in which Ministers of National Insurance have used their powers should be of wide interest.*

A VARIETY of appeal procedures was laid down by the Acts passed since 1945 to co-ordinate and extend the social services. Of these, the most used is the appeal machinery set up under the National Insurance Act, 1946, and the National Insurance (Industrial Injuries) Act, 1946, to determine all questions arising out of benefit claims. Decisions on these questions rest with one or more of the three-tier independent statutory authorities consisting of insurance officer, local appeal tribunal and Commissioner.<sup>1</sup> Disputes about assessment of disability for awards under the Industrial Injuries Acts are settled by medical boards and medical appeal tribunals. Appeals made under the National Assistance Act, 1948, are determined by an appeal tribunal. In general the Minister of National Insurance is responsible for making appointments to these authoritative bodies.

In some instances the statutes authorise the Minister of National Insurance himself to determine any queries, and in these cases he acts as a judicial authority. As such he has to interpret the statutes and regulations which were drafted and are administered by his own Department.

## FAMILY ALLOWANCES

Section 5 of the Family Allowances Act, 1945, provides that the Minister shall decide any question as to the right to an allowance in respect of any person for any family. No particular procedure to be followed by the Minister is laid down in the Act, though provision is made for dissatisfied claimants to appeal to one or more referees. These referees are appointed to a panel by the Minister from persons nominated by the Lord Chancellor, being barristers or solicitors and not being Ministry officials.<sup>2a</sup> Ministry officials appointed by the Minister for this purpose as Registrar or deputy Registrars of Appeals are responsible for selecting the referees from the panel to determine any particular claim or claims.<sup>2b</sup> The referee may at his discretion hold a hearing before giving his decision, and at any such hearing the applicant is entitled to be represented by a lawyer. The referee's written and signed decision will be sent by the Registrar as soon as practicable to the applicant and to the Minister.<sup>2c</sup>

Table I sets out the number of first claims for Family Allowances received in each year from 1946 to 1951; the percentage of rejections; the number

<sup>1</sup>This system of appeal with relevant statistics has been described in my article "National Insurance Adjudication" in the *Industrial Law Review* of January, 1953, Volume 7, page 176.

<sup>2</sup>Family Allowances (References) Regulations, 1946, S.R. & O. 1946 No. 139. a. Regulation 2(1). b. Regulation 2(2)-(3). c. Regulation 9.

of appeals against decisions of the Minister taken to referees and the percentage of appeals allowed by the referees.

It seems clear that as the knowledge of the Family Allowances Scheme and entitlement to benefit has spread since 1946 the number of unjustified claims has decreased. Whereas in 1946 as much as 3.1 per cent. of claims were rejected by the Minister, by 1951 this figure had dropped to as little as 0.7 per cent. Numbers of appeals taken to referees decreased substantially from 1946 with 13,087 until 1948 with 4,737, but since then the decline has been less steep falling from 3,962 in 1949 to 3,138 in 1950 and followed in 1951 by a slight increase to 3,174. Not 1 per cent. of appeals made were allowed in 1946; rather over a half to a little under three-quarters of appeals made in 1947 and 1948 respectively, succeeded. Between 1949 and 1951, appellants on the whole had rather less than a one-in-three chance of success.

Although in its first annual report<sup>3</sup> the Ministry of National Insurance states that the "right of appeal has been fully used and the decisions of the Referees on such questions as apprenticeship, temporary absence of claimants and children, etc., have made it possible for case law to be built up," in fact these decisions are not available to the public and the benefit of the case law seems to lie solely within the Ministry. In view of the informal nature of the rulings given in the ordinary course of Departmental routine, discussed below, it would seem desirable for summaries of leading decisions of the Minister and of the referees to be published. These would act as guides to the merits of future claims, not only to local offices of the Ministry, but also to potential claimants, and they might reduce the number of claims and appeals. Leading decisions of the Commissioner on benefit claims and of the Minister on questions of classification and insurability are already published periodically.<sup>4</sup>

## I

## CLAIMS FOR FAMILY ALLOWANCES IN GREAT BRITAIN

Year	First claims received, approximate number	Percentage rejected by Minister of National Insurance	Appeals to Referees, number	Percentage of appeals allowed
1946	2,606,675	3.1	13,087	0.9
1947	368,200	2.0	7,582	56.0
1948	310,525	1.5	4,737	70.0
1949 { 5 July, 1949—31 December,	400,000	1.0	3,962	34.0
1950 { 1950			3,138	26.0
1951	267,000	0.7	3,174	29.0

Source: Ministry of National Insurance Reports.

<sup>3</sup>Cmd. 7955, 1950, page 6, paragraph 27.

<sup>4</sup>Lists of publications of the Ministry of National Insurance are available in the annual reports as follows: Cmd. 7955, 1950, Appendices XII & XIII; Cmd. 8412, 1951, Appendices V & VI; Cmd. 8635, 1952, Appendices VI & VII.

## NATIONAL INSURANCE

Under Section 43 of the National Insurance Act, 1946, and the National Insurance (Determination of Claims and Questions) Regulations, 1948, and by Sections 36, 37 and 51 of the National Insurance (Industrial Injuries) Act, 1946, and the National Insurance (Industrial Injuries) (Determination of Claims and Questions) Regulations, 1948, certain subjects are reserved for determination by the Minister, subject to appeal to the High Court on questions of law, and the procedure to be followed in these cases is specified.

The reserved subjects include the finding of whether a person is or was in insurable employment and if so whether he is or was an employed or a self-employed person ; whether contribution conditions for any benefit are satisfied ; whether there is an entitlement to a death grant ; which of two or more persons satisfying the conditions for an increase of benefit shall be entitled to the increase where not more than one of them is so entitled ; and, under the Industrial Injuries Act, the conditions in which an increase of disablement pension in respect of the need of constant attendance is to be granted or renewed.

The scope of decisions to be determined under the National Insurance Acts is thus much wider than under the Family Allowances Act whereunder entitlement to an allowance in respect of one or more children is generally the question in dispute. In deciding questions under both the Family Allowances Act and the National Insurance Acts, the Minister may be placed in the position of judge as between conflicting interests. The rejection of one person's claim for a family allowance, for example, may establish another party's right to such an allowance. Under the National Insurance Acts, the Minister may have to decide whether an employer is or is not liable to pay a contribution. His decision may affect other persons in their respective capacities of either employees, self-employed persons or joint employers.

Broadly speaking, there are three types of references to the Minister under the National Insurance Acts. These are

- (i) References arising out of benefit claims ;
- (ii) Cases referred by the Courts or otherwise arising out of legal proceedings for non-payment of contributions ;
- (iii) Applications made by employers or insured persons arising in the ordinary course of administration.

### *References from Benefit Claims*

This first group is most nearly related to the type of decision required under the Family Allowances Act. There is an important difference, however. Whereas the Minister's decision under the Family Allowances Act determines directly the validity of the claim, under the National Insurance Acts this decision has only an indirect, though real, importance to the claimant whose claim will be determined finally by one of the three statutory authorities. If in the course of their determination of a benefit claim one of these authorities considers that a preliminary question has arisen for decision and if such a question is one of those reserved for the Minister, the final determination of the claim will probably be postponed pending the Minister's decision on

the preliminary point. It should be noted that most benefit claims are decided by the statutory authorities without reference to the Minister. The essential factor to be verified is the eligibility of the claimant for benefit by virtue of the contributions he has paid. In general, eligible insured persons will be entitled to benefit according to the class of contributions that they have been paying. If, however, the question of a claimant's classification is disputed before a statutory authority, a Minister's preliminary decision on this point will be sought. For instance, it is the case that only employed persons are entitled to receive unemployment benefit,<sup>5a</sup> and are covered by the Industrial Injuries Act;<sup>6a</sup> and only employed and self-employed persons are entitled to sickness benefit and maternity allowance;<sup>5a</sup> so that before the merits of a claim for any one of those benefits can be considered there must be agreement that the claimant falls into one or other of the appropriate categories and does not belong to the final classification remaining, namely that of non-employed persons.<sup>5b</sup> It follows that if the Minister decides that a claimant for unemployment benefit was at the material time a self-employed person his claim will be formally disallowed by the statutory authorities; on the other hand if he is held by the Minister to have been an employed person at the material time, his claim may still be disallowed by the statutory authorities on another ground. This procedure of reference to the Minister by the statutory authorities is likely to cause delay in the comparatively small number of cases so arising. Often no reference is made until after the case has reached a local appeal tribunal or the Commissioner, and some weeks or months will have elapsed before those stages. Then the case is held over for completion pending the Minister's decision. Considerable delay might be avoided if the statutory authorities were empowered to act for the Minister in such cases.

#### *References from Legal Proceedings*

In cases arising out of legal proceedings for non-payment of contributions it is necessary for the insured person's classification to be formally established, as his and his employer's liability to contribute, if any, and the rates of contribution, will depend on this classification.

#### *References by Application of Employers or Insured Persons*

It is in this category that the judicial function of the Minister comes most into operation. For example, in the case of a manufacturer's traveller working on commission, there may well be a dispute as to whether the salesman is an employed or a self-employed person. The Minister in such a case is in a neutral position and his decision will determine the National Insurance weekly contributions to be paid by each party to the dispute.

### PROCEDURE FOR, AND NUMBERS OF, MINISTERIAL DECISIONS

The procedure for obtaining a decision of the Minister is similar under both the National Insurance Act and the Industrial Injuries Act and the

<sup>5a</sup>National Insurance Act, 1946. a. Section 10(3). b. Cf. Section 1(2). c. Section 43(4). d. Section 43(4)(c).

<sup>6a</sup>National Insurance (Industrial Injuries) Act, 1946. a. Section 1. b. Section 37(1). c. Section 7(1). d. Section 37(5).

## THE MINISTER OF NATIONAL INSURANCE AS A JUDICIAL AUTHORITY

appropriate regulations made under those Acts.<sup>7</sup> Any person desiring to obtain the decision of the Minister on any of the special questions reserved for the Minister must file an application together with such particulars as the Minister may require. In the first two types of references listed above, such a request is normally made by one of the statutory authorities, or by the Courts. In the third type the individual employer or insured person takes the initiative.

Table II sets out the numbers of decisions made between 5th July, 1948, and 31st December, 1951. The actual numbers are small. In 1951, for instance, the total number of Minister's decisions on questions of classification and insurability (Table II (a)) was only 200 in which the largest sub-group was references arising out of benefit claims with ninety-three such references. In the same year forty references arose from legal proceedings for non-payment of contributions. In 1951 also, applications made by employers or insured persons arising in the ordinary course of administration numbered sixty-seven. It is possible, however, that the quantity of such applications would increase if the legal ineffectiveness of decisions made by local National Insurance offices were more widely appreciated. Most people accept as authoritative the advice on questions of classification, insurability and contributions tendered to them by their local Ministry office. In fact such advice is no more than "an informal ruling given in the ordinary course of Departmental routine."<sup>8</sup> From the point of view of administrative convenience, it may be as well that the possibility of challenging rulings of local offices by appeal to the Minister is not more widely known. On the other hand, the lack of publicity of such a facility diminishes its usefulness in reducing any grudges held against the seemingly inflexible power of perhaps an unsympathetic local officer.

Table II (b) shows the numbers of Ministerial decisions on questions relating to contributions. In each of the two periods for which statistics are published—5th July, 1949, to 31st December, 1950, and the calendar year 1951—there were about 1,500 decisions of which, in each period, about 30 per cent. were settled wholly or partly in favour of the insured person, generally as a result of further information. Most of the cases involving decisions on contribution questions arise from benefit claims which have been disallowed because the appropriate contribution conditions were not fully satisfied. In passing, it should be noted that the National Insurance and Industrial Injuries Contributions Regulations, 1948, imposed a two-year limit on persons desiring the Minister to return any contributions paid under the erroneous belief that such contributions were payable under the National Insurance or Industrial Injuries Acts.

<sup>7</sup>Compare Regulations 3-7 of the National Insurance (Determination of Claims and Questions) Regulations, 1948, with Regulations 2-4 of the National Insurance (Industrial Injuries) (Determination of Claims and Questions) Regulations, 1948.

<sup>8</sup>Cmd. 8635, 1952, page 30, paragraph 76.

# PUBLIC ADMINISTRATION

## II

### DECISIONS MADE BY THE MINISTER OF NATIONAL INSURANCE

#### (a) Questions of Classification and Insurability

5th July, 1948- 4th July, 1949		5th July, 1949- 31st Dec., 1950	1st Jan., 1951- 31st Dec., 1951
Numbers including decisions on corresponding questions arising under the repealed Acts	Numbers arising out of benefit claims	116	93
Decisions on pensions claims .. .. 43	Cases referred by the Courts or otherwise arising out of legal proceedings for non-payment of contributions	10	40
Decisions arising from references by Courts on prosecutions of employers for failing to pay contributions .. .. 2	Applications made by employers or insured persons arising in the ordinary course of administration	80	67
Decisions arising under the new scheme .. 11			
(Other decisions) .. (3)			
Total .. 59	Total	206	200

#### (b) Questions relating to Contributions

	5th July, 1949- 31st December, 1950	1st January, 1951- 31st December, 1951
Applications received relating to insurance since 5th July, 1948 .. ..	Over 1,500	Approximately 1,500
Settled wholly or partly in favour of the insured person generally as a result of further information .. ..	Approximately 30%	Approximately 30%

Source : Ministry of National Insurance Reports.

After an application has been made for a decision of the Minister on any question, the Minister is bound to notify any person appearing to him to be interested in such an application and to obtain any requisite particulars from that person.

If the parties have difficulty in presenting their case in writing, or if the facts are seriously in dispute or cannot otherwise be ascertained, or for any other good cause, the Minister orders an Inquiry to be held. Such Inquiries are generally conducted by a legally qualified member of the Ministry's staff who is empowered to summon witnesses, to order the production of relevant documents and to administer oaths for the taking of evidence on oath. The procedure to be followed at such an Inquiry is to be determined by the officer conducting the Inquiry, subject to the applicant's right to be represented by any other person including a lawyer, and to the



attendance at the Inquiry being permitted of any person appearing to the Minister to be interested in the application. The Minister's view as to the interest of any person applying to attend would appear to be conclusive.

The officer appointed to hold the Inquiry reports to the Minister on questions of fact and tenders an opinion on questions of law.

The Minister is empowered to make a reference to the High Court for a decision on any question of law.<sup>5c, 6b</sup> No such reference has yet been made. Many of the questions of law raised are comparatively trivial and present no real difficulties of interpretation and ruling. It is considered desirable to avoid the expense of a special reference in making a decision by placing on the claimant the onus of appeal to the High Court.

The Minister is bound to notify his decision in writing to the applicant and to any person appearing to him to be interested therein. Further, the applicant or any other such interested person is entitled on request to be furnished with a statement of the grounds of the decision as will enable him to determine whether any question of law has arisen upon which he may wish to appeal to the High Court. It should be noted that as a general rule it is not the practice for the Minister to notify the grounds on which his decision is based; hence the regulation permitting a request for the Minister's reasons is an important proviso.

The right of appeal to the High Court against the Minister's decisions on questions of law is regulated by Section 43 (4) of the National Insurance Act, 1946, and by Section 37 of the National Insurance (Industrial Injuries) Act, 1946. Rules of the Supreme Court<sup>9</sup> regulate any references and appeals to the High Court, and an applicant has twenty-one days in which to notify the Minister of his desire to appeal to the High Court.

It is well to consider the types of cases on which the Minister has made rulings subsequently published before reviewing the reported appeals actually made to the High Court, or to the Court of Session in Scotland. Periodically, *Selected Decisions of the Minister on Questions of Classification and Insurability* are published by the Ministry of National Insurance in the series of pamphlets numbered M.1, M.2, etc. Between May, 1950, and August, 1952, four such pamphlets were published. In these first four pamphlets each decision reported bears a reference number from M.1 to M.28 because, as a rule, the individual names of applicants are not published.

#### MINISTERIAL CASE LAW

Broadly speaking, the published decisions of the Minister can be divided into four groups of topics, namely (i) Company Directors; (ii) Agents; (iii) Students; and (iv) Part-time or Casual Labour.

The published decisions of the Minister will now be discussed under each of these headings, leaving aside for later consideration the four reported cases on which appeal to the High Court was made.

##### *Company Directors*

These cases are of interest because they illustrate how for purposes of National Insurance administration the Minister goes behind the structure

<sup>9</sup>Rules of the Supreme Court, Order 55B.

of the company to find out whether in fact, though not in law, the limited company is no more than a partnership.

In case M.4 two precision engineers incorporated their business as a limited liability company. They were the sole directors and shareholders holding respectively two-thirds and one-third of the total issued capital. The Articles of Association named them as permanent directors. Verbal arrangements were made about the allocation of duties and distribution of remuneration shown in the accounts as directors' salaries. The question of control had not arisen and there was no question of right of dismissal. Any differences of opinion were amicably settled by discussion. It was held that the directors were included in the class of self-employed persons for the purposes of the National Insurance Act. A similar decision was given in case M.10 concerning a company formed by two men to carry on a laundry business. Each held the same quantity of shares; each was elected a director, one in addition being appointed company chairman and the other company secretary. They were not salaried, but received fees authorised annually by the board of directors, having regard to the financial state of the company at the time.

On the other hand, in case M.1, a joint managing director of a large electrical engineering firm was held to be included in the class of employed persons. In this case several features distinguished the position of a joint managing director from the other members of the board. He was not subject to the rules as to retirement in rotation applicable to ordinary directors. He was salaried and the agreement made with him provided for its termination after due notice. Further, he was required to obey the orders and conform to the directions and regulations made by the board.

A decision which would appear to be arguable is that of M.2 concerning members of the Committee of Management of a Friendly Society. These members are elected by delegates at a meeting of the Society and they render whole-time service at an annual salary voted by the delegates, and are obliged to become contributory members of the Society's Superannuation Fund. There is no written contract, but the duties of the elected Committee members are prescribed in the Rules of the Society. One of these Rules fully empowers the Committee to conduct the Society's affairs in such a manner as they deem expedient subject to the carrying out of any instructions or principle laid down by a majority of delegates at a meeting of the Society. It was presumably this rule which was the paramount influence in producing a decision that the applicant member of the Committee of Management was included in the class of self-employed persons for the purposes of the National Insurance Act in respect of his employment as such member.

#### *Agents*

There are several decisions which in lay parlance may be placed under this heading. There are two cases concerning agents paid by commission. In the first, case M.9, where the agent was employed by a manufacturer of animal foods to solicit orders and collect monies on a part-time basis, and was allowed to exercise his own discretion in interpreting the agreement's instructions on sales and collection of accounts, but was subject to two weeks'

notice on either side, the applicant was held not to be an employed person. On the other hand in case M.22, where the agent's contract included a clause requiring him to serve the employer diligently and faithfully and at all times to obey his instructions and directions and where the agent was mainly dependent on the employment in question for his livelihood, he was held to be an employed person.

In case M.5 a nurse supplied to a hospital by a Nursing Association was held to be an employed person, although she received her fees less the Association's commission from her Nursing Association which itself received payment made on behalf of the Regional Hospital Board. This Board was held to be the employer responsible for the payment of contributions.

Case M.14 is a more complicated one than those cases previously cited. It concerned musicians in a hotel dance band. The hotel's general manager asked a musician to provide a dance band for the hotel. The musician did this and at a later time himself played in the band. After reviewing the relevant contracts, summarised in the printed report, the Minister held that the musician in question was a self-employed person, and that he was the employer primarily responsible for the payment of contributions in respect of a pianist in the band who was to be included in the class of employed persons.

#### *Students*

Cases M.16 and M.19 are concerned respectively with full-time chiropody and physiotherapy students required to treat patients as part of their training. In each case the student was held not to be in insurable employment within the meaning of the National Insurance (Industrial Injuries) Act, 1946. Presumably in each case an accident had arisen "out of and in the course of" the student's "employment" followed by a claim to Industrial Injury benefit. For such a claim to succeed, the employment must be "insurable employment."<sup>66</sup>

In cases M.6 and M.7 the Minister's decisions were identical with those of M.16 and M.19. In case M.6 a university graduate was thus not insured under the Industrial Injuries Act although the grant, paid him by a firm of manufacturing chemists, to enable him to carry out research work in which they were interested, was subject to deductions of P.A.Y.E. income tax. Further, the firm was to obtain the benefit of any results emerging from the research. The crucial factor in this decision, however, seems to be that control of the method of research came from the University staff and not from the firm.

In M.7 an agricultural trainee, paid a weekly maintenance allowance by a County Agricultural Executive Committee, which, in turn, was reimbursed for the value of the trainee's incidental services, by the training employer, was similarly barred from any benefits under the Industrial Injuries Act, the employment of the trainee being held not to be insurable employment within the meaning of that Act.

#### *Part-Time or Casual Labour*

Of the twenty-eight cases reported in the first four issues of the Minister's *Selected Decisions*, no less than fifteen can be placed into this group. Pressure

of space prevents full discussion of each case, but some of them are here summarised. Although these reported decisions no doubt facilitate the solving of later classification problems, the differing decisions contrasted below make extremely difficult, if not impossible, a forecast of the correct classification of any particular case of this type.

In case M.8 the wife of a fruit picker who worked in her husband's "gang" with their two children, and whose husband received payment for their work at the end of the week and was generally the one to receive instructions from the farmer's foreman, was held to be in insurable employment when engaged in cherry picking within the meaning of the Industrial Injuries Act. In contrast, in case M.11 a part-time flying club instructor who received £1 for each day of attendance to cover his expenses plus one shilling an hour flying time, was held in his capacity of instructor not to be in insurable employment within the meaning of the Industrial Injuries Act.

In M.20 a part-time lecturer whose business is that of an architect and surveyor, was held to be an employed person and in insurable employment for the purposes of the Industrial Injuries Act in respect of his employment as a part-time lecturer. Compare case M.13 concerning a slate quarry worker who worked in conjunction with the management of a quarry company, was paid piece-work rates monthly, accepted the general supervision of the quarry manager and, though not bound to do so, worked the same hours as other workmen, but provided his own tools and worked at his own risk not being a quarry employee. A fall of rock caused his death while he was at work in the quarry, and he was held not to have been employed in insurable employment within the meaning of the Industrial Injuries Act.

The importance of day-to-day control in determining National Insurance classification is illustrated by cases M.17 and M.25. In each of these cases, the first concerning a disabled homemaker making rugs, etc., and the second case being that of a tailoring outworker, the applicant was held to be self-employed. An important feature in each case is the lack of control over the method of working for the employing firm, though the finished articles had to conform to the specifications given. In case M.21, however, a handyman gardener employed at a private house one day a week on sawing logs, bringing fuel into the house, sweeping leaves, planting and weeding flower beds, etc., was held to be an employed person despite a proviso in a Regulation<sup>10</sup> that "cleaning or other domestic work . . . for less than eight hours" in a contribution week shall be treated as self-employment. In this case the employment was not deemed to be cleaning or other domestic work.

In M.24 a part-time sick visitor who was otherwise a colliery worker met with an accident whilst being employed as a sick visitor by a Lodge of a Friendly Society. The appointment was made by the Lodge and there was power in the Society's rules to compel members to undertake such duties, payment being made. This employment was held to be insurable employment for purposes of the Industrial Injuries Act. In M.23 a part-time member of the St. John Ambulance Brigade, injured by accident whilst on ambulance duty, was not so fortunate, being deemed not to have been in

<sup>10</sup>Paragraph 11 of Part II of the First Schedule to the National Insurance (Classification) Regulations, 1948, S.I. 1948 No. 1425.

insurable employment within the meaning of the Industrial Injuries Act. Although subject to the discipline of the Brigade, such a member is not paid except for out-of-pocket expenses and occasionally for subsistence. This factor is of great importance in determining the insurability of an employment for purposes of the Industrial Injuries Act.

### APPEALS TO HIGH COURT AND COSTS

No appeal to the High Court against the decision of the Minister was made in any of the cases just summarised.

One such appeal is referred to in the second annual report of the Ministry of National Insurance, being a case concerned with the pension of a marine engineer's widow, and decided under the Acts preceding the 1946 National Insurance Acts.

Four such appeals are reported in pamphlets M.1 to M.4 in the series of the Minister's *Selected Decisions*. Two of these, numbered M.15 and M.27, have been otherwise reported as, respectively, *Gould v. Minister of National Insurance* [1951] 1 K.B. 731, and *Stagecraft Ltd. v. Minister of National Insurance* [1952] Scots Law Times, 309.

In the first of these cases, a variety artiste was engaged on behalf of a theatrical syndicate to appear with his partner in a comedy "act" for one week at a provincial music hall. The agreement between the parties was in the standard form in general use in the variety profession, known as the "Arbitrator's Award 1919 Contract." On these facts the Minister decided that the artiste was included in the class of self-employed persons. The crux of the case turned on whether the relevant contract was a contract of service or merely a contract for services. For the reasons given at length in the judgment of Ormerod J., and in particular because there was nothing in the contract imposing control over the artiste's method of performance of his own turn, apart from the prohibition of the introduction of objectionable matter, the contract was held to be one for services only and the decision of the Minister was upheld accordingly.

The *Stagecraft Ltd.* case was also concerned with variety entertainment. In this case several theatre artistes were employed in Scotland in what is known as "resident variety." The Minister decided that the artistes were each employed under a contract of service and were thus included in the class of employed persons, and this decision was upheld on appeal by the Court of Session. Judgment was pronounced by the Lord Justice Clerk (Lord Thomson), by Lord Jamieson and by Lord Patrick. Lord Jamieson distinguished this case from that of *Gould v. Minister of National Insurance* by pointing out that, unlike the practice in Gould's work, in "resident variety" the performers work more as a team under the producer's direction. While some might be selected to do individual turns approved by the management, they are bound to collaborate with other artistes in other items in the programme. The management was free to direct the times and places at which, and the parts which, the artiste was bound to perform.

The case of Judy Birkin otherwise Judy Campbell is reported as case number M.28 in *Selected Decisions*. This case concerns a well-known actress, engaged under the terms of a written contract by a company making films,

to take parts in the films produced by them. Under this contract, while rendering services during two particular weeks, she was held by the Minister to be under a contract of service and thus included in the class of employed persons.

In upholding the Minister's decision, Parker J. discussed at length the contract which, *inter alia*, required the artiste to comply with the company's directions and rules and to perform in the manner directed. The judge opined that during the period of film-making Miss Campbell was "under absolute and complete control of London Film Productions." Although the contract made no reference to employer, employee, master, servant or employment, in the judge's opinion what mattered was not the actual words used, but the powers given to London Film Productions Ltd. by the contract as a whole.

The remaining High Court appeal case reported in the first four issues of the series *Selected Decisions* is that of case M.26 concerned with a Trade Federation representative. The Trade Federation in question gave its members advice, including legal advice. The duty of its representative was to visit members, collect subscriptions and to canvass for new members. Payment was by commission only, no additional travelling or subsistence expenses being allowed. The representative received no written instructions from the Federation as to how to carry out his duties, and he worked when he liked, having no fixed hours. He also had occasional additional employment as a film extra. He had applied for positions as representative with various other firms, but when approached for a reference the Federation always said that the representative was fully employed by them.

The Minister's decision was that when engaged as a representative the man was self-employed and was not in insurable employment within the meaning of the Industrial Injuries Act.

On appeal, this decision was upheld by the High Court, Parker J. declaring that the contract was clearly one for services and was not a contract of service. The fact that the Federation stated that the appellant was fully employed by them, thus debarring him from obtaining other employment, was not inconsistent with a finding that the contract was one for services. A man could employ an agent under a contract for services as opposed to a contract of service, notwithstanding that the man stipulated that that agent should work for no-one else.

It will be observed that so far the Minister of National Insurance has not been over-ruled by the High Court in any appeal made. This leads one to surmise that most of the other decisions reported but not taken to appeal would probably also have been found good in law by the High Court.

The Minister has not, however, always been so fortunate with regard to the question of costs in cases brought to appeal.

An interesting proviso is made in both the National Insurance and in the Industrial Injuries Acts to the effect that on any reference or appeal the High Court may order the Minister to pay the costs of any other person, whether or not the decision is in his favour and whether or not the Minister appears on the reference or appeal.

It seems that this power is going to be widely interpreted and, however correct the Minister's decision may prove to be, this will not necessarily



save him from an order of costs against him. For instance, in the case referred to above of *Gould v. Minister of National Insurance* [1951] 1 K.B. 731, at page 736, Ormerod J. said: "I think the subject-matter of the appeal is of sufficient public interest to make it necessary that it should be fully argued in this court, and that in the circumstances the case is one in which the proper order is that the Minister should pay the costs."

It should be noted that the Minister was ordered to pay the costs of this appeal despite the fact that this case is a clear example of one in which the Minister acted purely as an adjudicator, and in no sense as a party to the action. The dispute was one between the variety artiste and the theatrical syndicate only, and there was a good chance of an appeal by one or other party whatever the Minister decided. Although the Minister's decision was upheld, the High Court deemed the public interest involved sufficient to warrant an order of costs against the Minister.

Again, in the case of *Stagecraft Ltd. v. Minister of National Insurance*, also summarised above, the Minister was ordered to pay the costs of the appellants and of the artiste concerned in that case. No order as to costs was made by the Court in any of the other reported appeals to the High Court—being those, referred to above, concerning the marine engineer's widow, the trade federation representative (M.26) and the film actress (M.28).

The Minister has not so far claimed his costs. Thus, if this policy continues, the worst that can befall an appellant in an unsuccessful appeal against the Minister is to have to pay his own costs. In the event of his appealing in person to the High Court (and if his case has been referred by way of a local tribunal where no legal representation is allowed, he may already have had practice at conducting an appeal-in-person) his costs need not exceed the appeal filing fee of £2 payable at the Crown Office in the initial stage of the appeal.

### CONCLUSION

This review of the functioning of the Minister of National Insurance as a judicial authority leads to the following main conclusions:

1. On the whole, the results of appeals, to Referees in Family Allowances cases and to the High Court in other cases falling within the jurisdiction of the Minister, indicate that Minister's decisions have been made with care and correctness.
2. Consideration should be given to publication of selected decisions on Family Allowances cases by the Ministry of National Insurance with a view to reducing the number of disputed claims and appeals.
3. The *Selected Decisions of the Minister on Questions of Classification and Insurability* published between May, 1950, and August, 1952, can be grouped into topics as follows: (i) *Company Directors*. Decisions numbered M.1, M.2, M.4, M.10. (ii) *Agents*. Decisions numbered M.3, M.5, M.9, M.14 (also under (iv)), M.22, M.26. (iii) *Students*. Decisions numbered M.6, M.7, M.16, M.19. (iv) *Part-time or Casual Labour*. Decisions numbered M.8, M.11, M.12, M.13, M.14 (also under (ii)), M.15, M.17, M.18, M.20, M.21, M.23, M.24, M.25, M.27, M.28.

The variety of decisions in this group makes desirable an authoritative statement of principle.

## Local Government and Democracy— A Rejoinder

By KEITH PANTER-BRICK

*Mr. Panter-Brick of the London School of Economics and Political Science  
replies to Professor Langrod's recent article.*

IN his paper "Local Government and Democracy," read at a meeting of the International Political Science Association at The Hague last summer and subsequently published in this *Journal* (Spring, 1953), Professor Langrod questions certain common assumptions about local government. He denies that local government is necessarily part of a democratic system of government, and he denies also that local government is an essential element in the political education of the electorate. It is acknowledged by Professor Langrod that local government and democracy have gone hand in hand in the past, indeed that local government played an important part in the creation of a democratic climate of opinion in various countries, but it is contested that there is any other connection than this one of historical association. Today local government and democracy can no longer be said to be inevitably interdependent. Professor Langrod goes further. He raises the question whether there is not an essential contradiction between the two.

To be jolted into questioning one's beliefs about local government is certainly salutary, even if as a result they are only reaffirmed in one's mind. Moreover, if that be the result, then to have had attention drawn to practices which cast doubt upon one's assumptions should be a stir to action. Professor Langrod's remarks merit then careful attention.

He is led to question the alleged necessary dependence of democracy upon a system of local government, first by certain factual considerations. These are that local government may in fact function in an undemocratic manner, even in a state that is as a whole democratic. Further, Professor Langrod reflects that local government is after all only a technical administrative arrangement. What is important for democracy is a democratic climate of opinion, and democracy may prevail even though certain institutions have in themselves non-democratic features. A centralised administrative system for instance may be the instrument of democratic government.

Having thus questioned whether in fact democracy and local government are to be found in a necessary relationship, Professor Langrod turns to a consideration of the nature of local government and of democracy. He then ventures to ask whether they have not come to be contradictory.

Democracy is by definition an egalitarian, majority and unitarian system. It tends everywhere and at all times to create a social whole, a community which is uniform, levelled, and subject to rules. It avoids any splitting up of the governing (and at the same time governed) body, any atomisation, any appearance of intermediaries between the *whole* and the individual. It puts the latter face to face with the complete whole, directly and singly. On the other hand, local government is, by definition, a phenomenon of differentiation, of individualisation, of

separation. . . . Thus, since democracy moves inevitably and by its very essence towards centralisation, local government, by the division which it creates, constitutes, all things considered, a negation of democracy. . . . Democratisation of the state tends to transform its government progressively into a *self-government* of the whole population—which must, during the course of this evolution, make any local government, “opposed” to the central government, superfluous and devoid of any logical basis. . . . Local government and democracy triumphant represent indeed diametrically opposite tendencies . . . the incompatibility of democratic principle with the practice of decentralisation is a phenomenon so evident that it may be considered as a kind of sociological law.

Finally—and largely in consequence of these definitions—Professor Langrod doubts whether local government plays a sure and indispensable role in democratic education, however closely it has been associated in the past with the growth of a democratic climate of opinion. Professor Langrod, talking of the local citizen, considers that “it is practically impossible for him to penetrate to the heart of the phenomena, to take them in their entirety, to achieve the idea of the public good.” He speaks of local representation leading to “a certain narrowing of the horizons of local government leaders, contrary to the spirit of any democracy” and claims that “comparative experience proves that the deliberative local government bodies (of whatever kind) are inclined to serve and represent private interests rather than the general interest (which goes beyond them).”

Here then is local government in the dock. It is for each and every one of us to recall the arguments in its favour; not however in the manner of repeating well-worn maxims, but tested in the light of Professor Langrod's remarks.

He bases himself in the first place, so we said, on certain factual considerations such as the non-democratic functioning of local government in a community nonetheless democratic; and he stresses the democratic climate of opinion, not the existence of local government, as being the indispensable factor in a democracy. Now it cannot and need not be disputed that local government may function undemocratically. It must be questioned, however, to what extent a country as a whole may be democratic despite local government being managed in an undemocratic manner. Professor Langrod generalises his point when he says: “Democracy can never be considered as a total phenomenon, absorbing the whole life of the community and penetrating inevitably into every corner; to think so would be to approach the problem superficially and artificially.” The extent to which one agrees with Professor Langrod on this point will depend upon one's conception of democracy. Not merely sensitivity to opinion on the part of the authorities, but also participation of some kind or another by the citizen may be stressed as being fundamental to democracy. It must then be doubted to what extent a country is democratic where some important part of the system of government functions in a characteristically undemocratic manner; that is, is “not democratic *in se* (as regards its composition, recruitment, structure, environment)” as Professor Langrod himself puts it. This point needs further elaboration, but the question of the meaning of democracy has been

raised, and it is convenient to consider Professor Langrod's contention that democracy and local government are essentially contradictory, before saying more on the part local government can and does play in a democracy.

Professor Langrod may or may not commit himself personally to the definition of democracy he has given. He asserts it, however, as the prevailing conception of democracy, and he speaks of the tendency of democracy being in a certain direction. We are reminded of the language of Marx.

By facilitating the possible apprenticeship for certain types of democracy and by propagating the democratic climate (or, at least, the climate common to democracy and political liberalism) local government has within itself, inevitably, the seed of its own death once the process of democratisation is accomplished. . . . Democracy in action will claim, then, sooner or later, but inevitably, a breakaway from the fundamental idea of local government and will demand administrative centralisation (pp. 32-33 and p. 29).

Now Professor Langrod is certainly drawing attention to an important tendency. Much of the centralisation in this country is due not to the out-moded areas of local government nor to the inability to devise a satisfactory source of local finance, difficulties though these be, but rather to the persistent demand for uniformity of standards throughout the country. But is this a democratic demand? Are we to accept the emphasis on uniformity as the hall-mark of democracy? In many respects it is the Rousseauian conception of democracy. The emphasis is on self-government of the population as a whole. Rousseau was hostile to any authority lesser than that of the whole community. On this conception local government is necessarily partial because on any question there is the interest of the wider community which must prevail. There is the same insistence on the inadequacy, indeed the iniquity, of any viewpoint other than the general one, and on the inimical influence of any lesser interest or groupings.

It is an attractive theory; and it may be admitted that there are few matters, if any, which can be said to be in themselves purely local, and therefore outside the province of the general interest. This stress on the general interest emphasises, however, only one aspect of democracy, and probably not the most important if only because it is the most abstract. It is even only one side of Rousseau himself. Did he not favour the small community, precisely because democracy is to be understood not only as the supremacy of the general over lesser interests, but also as the free realisation of this? Democracy involves not only the determination of the general interest by representative institutions, but also an awareness that what prevails is the general interest. Otherwise there is no freedom. It is not for nothing that democracy and self-government have been identified. There is, however, no compulsion to accept this theory, not even if the recent insistence on uniformity and the centralisation that this involves has in fact got the upper hand. Professor Langrod is right when he says that the historical association of local government and democracy is not necessarily proof that they are related in a more intimate manner. But it could be said with equal force that democratic opinion having brought about the greater centralisation of government, it is no proof that democracy and local government are incompatible, and that local government has now to be abandoned as incompatible

with democracy. There are indications in Professor Langrod's paper that he would distinguish between democracy and political liberalism, ascribing to the latter the insistence upon liberty and to democracy the desire for uniform standards. This, however, is to abandon a highly emotive word to those who acquiesce in the sacrifice of liberty to uniformity, with all the dangers that involves, and it is also to resign oneself to what is considered to be the inevitable. If a stand is not made for liberty in the name of democracy then liberty will indeed be lost.

It is meet at this point to consider what contribution local government can make to democracy, and thus to return to the earlier question we raised, namely, whether it could be accepted as true that institutions not democratic *in se*, such as a centralised administrative system, can be part of a democracy. Mr. C. H. Wilson has already made the relation of local government to democracy the theme of his excellent introductory essay to his *Essays in Local Government*, but since what is said there apparently cannot be said too often, this is my excuse for going over the ground again.

Too much should perhaps not be made of the mere fact that local government allows for greater personal participation in the actual business of governing. Much more important is that local government is not only historically associated with democracy in that it helped to bring about a democratic climate of opinion, but is also an important element in keeping opinion favourable to democracy. Nowhere is democratic government so well entrenched that succeeding generations do not have to learn by their own experience. Democracy is not the egalitarian uniformity Professor Langrod seems to suppose. It demands that one another's point of view and one another's interests be mutually appreciated and taken into account. This is much more difficult to achieve. As Hume said about ethical conduct, it depends very much upon sympathy brought about by close personal contact. Modern sociologists would talk of face-to-face groupings. If the appreciation of one another's standpoint is not learnt in the local communities, it risks not being learnt at all.

Here we may be accused of exaggeration. Local government, it may be objected, is not the only way of establishing the necessary sympathy upon which democracy is based. There is, however, a further aspect to local government. It not only engenders sympathy; it also tends to guard against too much enthusiasm, against that disinterested but misguided benevolence which in its enthusiasm fails to count the cost. The administrative and financial difficulties of bright ideas can be learnt at the parish-pump level, and the lessons learnt there on the small scale are valid when one's thoughts turn to the greater possibilities of providing for the general interest. It is not denied that a similar caution and scepticism can be learnt by participation of one kind or another in national politics, but the lessons learnt on the grand scale are likely not only to be more expensive, but also less well learnt, in that "they" and not oneself can more easily be blamed when it is the national government. In any case, if democratic government is an art, there is no harm in it being learnt on as wide a front as possible. Indeed since art is learnt by a close attention to detail, local government is a vital training ground for democracy.

Too much must not be claimed for local government, but the successful

working of democratic government owes much to it, not only as a matter of past history, but at all times. Far from an attention to local interests rendering a man incapable of appreciating the general interest, he is indeed likely to conceive the general interest in highly abstract and dangerous terms if he has not the more intimate experience of government at the local level. The present disinterest in local government affairs is thus disquieting. Local government will undoubtedly mean some sacrifice of uniformity among the localities ; as has been said already, however, the hall-mark of democracy is not uniformity, even when understood in the special sense of treating only the alike in the same fashion. Democracy, to repeat, means the free acceptance of restraints as much as the supremacy of the general interest. Looked at from this standpoint central and local government form a partnership, not a contradiction. Executive action is a constraining force, whether imposed centrally or locally, in the general or in the local interest. It is likely to be used better, understood better, and hence more freely accepted if at least some policy is left to be determined locally. Recent developments in this country have brought about a greater demand for direct and financial control over local authorities than has been known in the past. The dangers have often been decried. It would be unfortunate if anyone were to be encouraged by Professor Langrod to believe that an extension of that control till local authorities were indistinguishable from local agents of the central government was a matter of indifference from the point of view of democratic practice.

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# The French Parliament

By PETER CAMPBELL

*Mr. Campbell, Lecturer in Government in the University of Manchester, explains the current practice in the French Parliament and draws some interesting comparisons with British practice.*

IN recent years the growth of ministerial powers and the transfer of important industries to public boards have caused increased attention to be given to the general problem of the relations between parliament and the government and to the particular problem of the relations between parliament and the administrative services. Foreign experience has sometimes been cited, but not always with appreciation of its relevance and significance. Any thorough account of the procedure of a foreign parliament may therefore help us to solve our own problems as well as to understand the politics of a foreign country.

The welcome that would have been given to any competent book of this kind has been given with extra warmth to *The Parliament of France* by D. W. S. Lidderdale.<sup>1</sup> Mr. Lidderdale's experience as a Clerk to the House of Commons has enabled him to ask most of the right questions, and he has answered most of them in a very scholarly manner. He deals with the history and organisation of the French parliament, and with its procedure with regard to legislation, finance and the executive. His account is clear, accurate, and comprehensive. It is true that certain defects of matter and manner can be noted. For example, Mr. Lidderdale's account of financial procedure is not as good as the rest of his book. He might have said more about how the administration is controlled by the committees of the chambers and by the many extra-parliamentary bodies which contain members of the chambers appointed to represent them. He might have said more about the relations between parliament on the one hand and the Economic Council and the Council of the French Union on the other—two bodies which have among their tasks that of advising parliament about certain types of bill.<sup>2</sup> And he might more often have reminded his readers that the chambers are political bodies. Many of the procedural forms that he describes (and many of the changes that are made in them from time to time) are designed to aid or hinder one side or another in the struggle for power; the ways in which these forms are used—or abused—are not just aspects of the working of a piece of constitutional machinery, but are tactics in that struggle. As an official of the House of Commons, Mr. Lidderdale is vowed to impartiality; the consequent discretion of some of his references to political parties in the Assembly obscures the significance of what he is saying. This is unfortunate in a book about a parliament in which political and partisan significance is to be found in almost everything—from the placing of the members from

<sup>1</sup>Hansard Society, 1951. Pp. 296. 18s.

<sup>2</sup>For a recent discussion of the work of these two bodies see D. Pickles, *French Politics*. Royal Institute of International Affairs, 1953. Pp. 229-233.

right to left in each chamber to the government's failure to praise a dead deputy.<sup>3</sup>

Yet these are minor defects which do not greatly impair the value of the book. To offset them it has many virtues. Among the chief is the light it throws on the problems of the relations between parliament, the cabinet, and the administration. In this consideration of Mr. Lidderdale's account, particular attention will be paid to these problems and to the procedural changes made since 1951.

### *The Chambers and their Committees*

The French parliament consists of two chambers: the National Assembly, which is composed of 627 deputies elected every five years by direct suffrage and to which the government is responsible, and the Council of the Republic, which is composed of 320 senators elected by special colleges, each consisting of the deputies for an area and certain of its local government councillors. Senators serve for six years, half the seats being vacated every three years.

The internal organisation of each chamber is dominated by the political groups and the general committees. While the standing orders of the House of Commons refer to the parties only twice,<sup>4</sup> those of each French chamber provide in detail for the establishment of political party groups and for their rights in the organisation and debates of the chamber. Two particularly interesting points may be noted. A sitting can be suspended for as long as several hours so as to give the members of any group a chance for private discussion or to give the government time to try to retain the support of disloyal sections of its majority.<sup>5</sup> Except in certain divisions, deputies can vote by proxy, and the votes of a whole party can be cast by a single member. This is a facility which would have many advantages in the House of Commons when the margin between the parties is narrow, although it is subject to abuse.

For the examination of bills and resolutions, and for the control of the government, each chamber has nineteen general committees, each dealing with a branch of national life and corresponding more or less closely with a ministry. Their members—forty-four in the Assembly, thirty in the Council—are nominated by the party groups in proportion to their size. No deputy or senator may serve on more than two committees at once.<sup>6</sup> Attendance

<sup>3</sup>When the President of the Assembly announced the death of a Radical deputy who had suffered greatly from injuries received in a German prison camp, no minister spoke to associate the government with the President's tribute. Communist deputies saw in this silence a political act on the part of the government of M. Pinay, whom Marshal Pétain had appointed to an advisory council (*Débats parlementaires, Assemblée Nationale*, 1952, pp. 4265-6, henceforward cited as *A.N.*, with year and page number).

<sup>4</sup>S.O.s 58 and 59 on the composition of standing committees.

<sup>5</sup>Sometimes the chambers adjourn for a few days so that their meetings shall not clash with those of a party congress. Because many parliamentarians are very active in local politics, the chambers adjourn also for local elections and—sometimes—for certain sessions of the local government councils.

<sup>6</sup>Excluding ministers, only about five per cent. of the members of each chamber fail to belong to at least one committee.

at committee meetings is compulsory in theory but not in practice.<sup>7</sup> Each committee elects several officers, of whom the chairman is the chief. On becoming a minister, a deputy or senator leaves any committee to which he belongs, and his place is filled by another member of his party group. Ministers have the right to be heard by any committee whenever they wish, and any committee may summon ministers before it. A minister may bring his civil servants with him when he appears before a committee, and they may be heard directly by the committee, instead of having to speak through the mouth of their minister. A minister may send a civil servant to be interviewed by a committee, and a committee may ask to interview a civil servant; when either course is taken, the civil servant has to exercise considerable care to ensure that what he says will be acceptable to his minister, and complaints of indiscretion are rare.

The committees almost always work in private, only brief outline accounts of their proceedings being published. Attempts to secure greater publicity have always been resisted as likely to limit frank speaking by members of the committees and by ministers and civil servants appearing before them.<sup>8</sup> In its committees each chamber sees its most effective instrument for dealing with the vast mass of proposed legislation and for controlling the work of the government. It provides them with permanent accommodation and secretarial assistance, and they may also have the aid of civil servants seconded from the ministries. Each chamber reserves several sittings a week for work in the committees.<sup>9</sup>

In each chamber there is a conference of presidents, consisting of the chairman of the nine or ten largest groups (those with fourteen deputies or eleven senators), and of the general committees, together with the presidents and vice-presidents of the chamber. This body, of about thirty-six members, prepares the agenda of the chamber—for one week in the Council and for two weeks in the Assembly, where the period had been three weeks before March, 1952. Its proposals are submitted to the chamber, which frequently amends them; this is partly because the deputies and senators are ill-disciplined, but mainly because in each chamber the centre parties win a disproportionately large number of the chairmanships of the general committees, while the Socialists and the groups of the extreme right win relatively

<sup>7</sup>Substitutes are allowed. In 1952, the two chambers amended their standing orders so that for each general committee each group appointed half as many substitute members as it had ordinary members; this applied to all the committees of the Council and to the Finance Committee of the Assembly—for its other general committees the Assembly retained the practice of allowing a committeeman to appoint any other deputy as his temporary substitute.

<sup>8</sup>Occasionally a fairly detailed account will be published of the discussion which has taken place when a minister has appeared before a committee. Thus the Assembly's foreign affairs committee issued such an account after M. Bidault, the Foreign Minister, had reported to it on the three-power talks held in Washington in July, 1953, as the Assembly's agenda did not include a debate on foreign policy before the summer recess (*Le Monde*, 24th July, 1953). References to proceedings in the committees are frequently made in debates on the floor of each chamber.

<sup>9</sup>The Council reserves, in principle, the whole of Wednesday and the mornings of the other days. The Assembly reserves Wednesday morning and afternoon and Thursday morning; it can itself sit on Wednesday evening, but it finds that when it does so attendance at committee meetings on Thursday is poor; the reservation of these three sittings was made in March, 1952—until then the Assembly's rule was the same as the Council's. Sometimes a committee will meet during the vacation.

few and the Communists win none. The cabinet's power over the agenda is very slight; it sends a representative to the conference, where it can hope for (but cannot rely on) the co-operation of the members belonging to the parties supporting it;<sup>10</sup> on the floor of the chamber it can demand the modification of the proposed agenda or the rejection of inconvenient amendments proposed by members of the chamber.

### *The Legislative Process*

Perhaps it is significant that the French use the term "legislature" as often as the term "parliament," while in Britain the first term is used very little: the French chambers legislate, the British talk. Differences in the amount of work done in the two parliaments support this interpretation. From the opening of the first National Assembly in November, 1946, to the end of the session 1952, the French parliament dealt with about 8,350 bills, of which about 1,650 became law (1,391 bills and 275 laws a year on the average);<sup>11</sup> from the start of the session 1945-6 to the end of the session 1951-2 the British parliament dealt with about 560 public general bills, of which about 490 were passed (80 bills and 70 acts a year, on the average).<sup>12</sup> Of course, these figures do not justify the conclusion that the French parliament works several times as hard as the British, for the numbers of bills and laws are only a very rough guide to the volume of legislation. Many matters settled by the executive in Britain require legislation in France;<sup>13</sup> procedural rules in France require many bills on matters that need only a few in Britain—such as finance; in France private members have complete freedom to present bills, while in Britain their opportunities are few. On the other hand, further evidence that legislation is more important in the French parliament than in the British is to be found in the amount of time each devotes to other matters. The debates on the address, on the adjournment motions each day and before each vacation, and on special motions about important problems occupy about a third of the time of the Commons. The Assembly has no debates corresponding to those on the

<sup>10</sup>If a group's chairman becomes a minister, the group elects a new chairman; when the former chairman ceases to be a minister he may be re-elected chairman. The same applies to the chairmen of the committees.

<sup>11</sup>For most of these figures and for most of those given later, I am indebted to M. François Goguel, *Directeur du Service de la Séance du Conseil de la République*; M. Emile Blamont, *Secrétaire Général de l'Assemblée Nationale*; and Mr. Strathearn Gordon, Librarian of the House of Commons, who have all very kindly answered questions about the work done by the assemblies they serve.

<sup>12</sup>In addition, each year the British parliament deals with about 70 provisional order, Scottish order, local and personal bills, and Church Assembly measures, with an increasing number of local orders (15 in 1946 and 227 in 1951), and with a number of statutory instruments varying between 600 and 1,200; but these are all examined in special procedures, and do not normally concern each House as a whole or many of its members.

<sup>13</sup>For example, bills entitling soldiers on active service to send mail post-free, raising a general to the dignity of Marshal of France, and altering a colonial tax. On the other hand, legislation is not required for matters as important as devaluation of the currency or alteration of the price of wheat, and the organisation charged with administering the Monnet plan for economic reconstruction is responsible only to the Prime Minister and is not subject to parliamentary control. The extent to which the government can act without express parliamentary sanction is uncertain: the constitution is ambiguous and governments have submitted bills or lamented the inadequacy of their powers even when they could have acted by decree under existing laws.

adjournment, and debates on important problems are less frequent than in the Commons; each year there has been at least one cabinet crisis with an opportunity to debate the programme of at least one candidate for the premiership, and these debates may perhaps be said to correspond to those on the address.

Of the bills introduced from November, 1946, to December, 1952, 26 per cent. were sponsored by the government, 68 per cent. by deputies, and 6 per cent. by senators; of the bills passed, 60 per cent. were presented by the government and 40 per cent. by deputies and senators; 45 per cent. of government bills were passed, but only 10 per cent. of private members' bills. These figures show the extent to which private members share in legislation in France, by defeating government bills or forcing the cabinet to withdraw them and by sponsoring their own bills.<sup>14</sup> Most of these private members' bills are designed to aid local and sectional interests,<sup>15</sup> and many of them correspond to private and order-confirmation bills in Britain. Some are too trivial for time to be wasted on them; others are too important for the government to care for the responsibility of dealing with them.<sup>16</sup> Neither the government nor the private members are as careful in drafting their bills as they might be, but then they know that their texts will be examined and, almost always, revised on their way through the chambers.<sup>17</sup>

For a bill to become law, it must pass through at least five stages: first, the preparation of the bill outside parliament; second, its examination in one or more of the committees of the National Assembly; third its examination on the floor of the Assembly. The second and third stages will be repeated in the Council of the Republic, and if that chamber votes the rejection or amendment of the bill they will be repeated again in the Assembly; even if a bill has been introduced by a senator it must be passed by the Assembly before the Council can deal with it.

Whoever introduces it, a bill is referred without debate to the Assembly's appropriate general committee (which becomes the main committee for the bill). If all or part of its text relates also to the subject matter of any other committees, they will be named as advisory committees and empowered to

<sup>14</sup>The position in Britain is very different. Of the public general bills presented from July, 1945, to October, 1952, 84 per cent. were sponsored by the government and 16 per cent. by private members; of those passed, 95 per cent. were government bills and 5 per cent. private members' bills: 98 per cent. of the government bills were passed and 30 per cent. of the private members' bills.

<sup>15</sup>These interests have what are virtually parliamentary groups, for although the standing orders of each chamber prohibit political groups designed to defend special, local, and professional interests, they do not prohibit inter-party bodies such as the Parliamentary Association for Educational Freedom, which obtained public money for church schools in 1951, or the powerful Parliamentary Agricultural Union. Moreover, even when there is no formal organisation, large numbers of deputies and senators act more as the agents of sectional interests than as a whole. For a recent discussion of this see the symposium "Pouvoir politique et pouvoir économique" in *Esprit*, June 1953. For an account of the variety of bills introduced to satisfy these interests, see "Social Picture of France," *The Times*, 4th October, 1952.

<sup>16</sup>In 1951 the government was neutral in the debates on a private member's bill to subsidise church schools. In the words of M. Faure, then Minister of Justice and later Prime Minister: "To govern and to legislate are two different tasks." (*A.N.* 1951, p. 7046.)

<sup>17</sup>There is no parliamentary draftsmen's office. M. Pinay, when Prime Minister, asked the departments to draft more precise and concise bills and not to rely on parliament to make their texts workmanlike (*Le Monde*, 3rd May, 1952).

consider it. Each committee enjoys almost sovereign powers over every bill referred to it as the main committee, except that it is supposed to report to the Assembly within three months of receiving a bill. It can refuse to examine a bill, reject it, amend it, or pass it unaltered. It often reduces to a single text all, or parts, of several bills dealing with one problem; much of a bill which is, technically, not passed may reach the statute book in this way. On receiving a bill, a committee appoints a reporter. He studies the bill and submits his views to the committee which then engages in a general discussion of the bill and, if it decides to consider it, proceeds first to a discussion of the clauses, and then to a new general discussion and a vote on the bill as amended.

The committee's report, giving its own opinion and, usually, a text for a bill, is presented to the Assembly. The bill may be so uncontentious that the committee will advise the Assembly to vote on it without debate; the government also may give this advice. If the government or any deputy opposes the recommendation, the bill is automatically returned to the main committee, which will hear objections to the bill and present a new report. If it again proposes that the bill should be voted without debate and there is further opposition, either from the government or from fifty deputies, then the bill goes back to the committee, which cannot again propose a vote without debate. It can, instead, propose the use either of the ordinary procedure for opposed bills (see below) or of the new procedure of restricted debate. In a restricted debate, and in the debate on a proposal to use this procedure, the right to speak is limited almost entirely to representatives of the groups, of the committees, and of the government, and to the sponsors of amendments that have been rejected by the main committee: no speech may last for more than five minutes, and no delaying motions may be presented. This procedure was introduced in March, 1952, to deal with obstruction to relatively unimportant bills, but it has been used very rarely; it cannot be used for important bills.

If the committee does not recommend a vote without debate or a restricted debate, the ordinary procedure is used. The conference of presidents may organise a time table for the debate, if the Assembly wishes. A time table is made only for important bills, but not for every important bill. It allocates time between the committees, the government, the groups, and the few deputies not belonging to any group.<sup>18</sup> A time table is an approximate guide rather than a rigid schedule: it may be revised to allow more time if progress is slow: the president of the Assembly may be lenient to a group which has spent its allotted time and allow its spokesman to defend its amendments briefly; one group may give time to another. The time table is therefore very different from a motion for the allocation of time which the British government may sponsor in the House of Commons, for it does not provide

<sup>18</sup>In December, 1952, the Conference allotted thirty hours for the finance bill for 1953; four hours for the finance committee, two for the advisory committees (these six hours could be used only by the authorised spokesmen), four for the ministers, seventeen and a half for the groups (each having as much time as its size justified, with a minimum of thirty minutes for the smallest group regardless of its size), thirty minutes for the isolated deputies, and, in addition, two hours for voting. (*A.N.* 1952, p. 5943).



that a given stage shall end by a given date, or that a given clause shall be reached by a given time; it is made only for the debate on the floor of the Assembly and not for the debate in the standing committee. Finally, the French time table is proposed by the conference of presidents while the British motion is proposed by the government. If the French government wishes to hasten the passage of a bill, it can do so only by asking the Assembly to stop discussing dilatory motions or harassing amendments and either to proceed to the discussion of the clauses or (if that has started) to adopt the contested clause and pass to the next one. If the government is united enough to threaten to resign if it is defeated, it will almost certainly have its way.

Throughout the passage of the bill, the steering will be done by the reporter of the main committee in company perhaps with the chairman of the committee, rather than by the sponsoring minister or deputy. The spokesmen of any advisory committees have special rights. On the other hand, the part of the government should not be underestimated. If its text has been too drastically amended by the committee, the government may demand that its original text and not the committee's should be taken as the basis of discussion; it may demand the rejection of amendments or dilatory motions or the adoption of an amendment or a clause; it may stake its life on the result of the vote on such a demand.<sup>19</sup> The extent to which it will get its own way will depend on its political strength and courage.

When all the clauses have been considered, the government, the main committee, or a deputy may demand that the Assembly should either proceed to a second "deliberation" of the bill or of parts of it, or send it back to the main committee for textual revision and co-ordination. If the Assembly agrees to a second deliberation, the committee should examine the bill first, but the committee has not always insisted on this right—or, rather, duty. A request for a second deliberation should not be accepted before the votes on all the clauses have been held, but when the question of confidence has been posed on one or more clauses, the Assembly has sometimes proceeded to the second deliberation before the votes of confidence have been held, as such votes cannot be taken until a clear day has elapsed since they were tabled.<sup>20</sup>

The whole text of the bill, as amended, is then put to the vote, and if it is passed the bill is sent to the Council of the Republic, where it goes through similar stages. As the constitution provides that the Assembly alone votes the law, technically the Council does not vote on the bill, but on an advisory opinion about it. If the opinion is completely favourable to the Assembly's text, or if the council does not adopt one within two months or such shorter time as the Assembly may prescribe (but now rarely prescribes), the bill is sent by the President of the Assembly to the government for promulgation. On the other hand, if the Council proposes amendments or

<sup>19</sup>The agenda for the 29th February, 1952, provided for the holding of twenty votes of confidence on M. Faure's finance bill. In addition, M. Faure had on occasion threatened to resign unless the Assembly followed his advice on a clause or procedural motion.

<sup>20</sup>See *A.N.* 1952, p. 1947, for an example of how both this provision of the rules and the previous one were disregarded in the debate on M. Pinay's finance bill.

suggests the rejection of the bill,<sup>21</sup> then the bill must go through all its stages in a second reading in the Assembly, which can either adopt the Council's amendments to an article or insist on its own text, but which cannot adopt a compromise text—an inconvenient restriction. If the Council has adopted by an absolute majority of all its members an opinion that is wholly or partly unfavourable to the Assembly's text, then for the bill to become law, the Assembly must pass it by an absolute majority of its own members in the second reading, and if this majority is not obtained the bill should lapse. By March, 1953, the Council had passed 168 dissentient opinions by an absolute majority, and only for six bills did the Assembly then muster a mere relative majority of its members. On three of these occasions the bill was tabled again, with slight changes to make it technically a new bill; it then went through all its stages in the two chambers, and if the Council again gave a hostile opinion by an absolute majority, care was taken to ensure an absolute majority on the second reading in the Assembly. Each of the three other bills was sent back to the committee, reported out, and again put to the vote in the Assembly. Usually the second reading in the Assembly is the last stage in a bill's passage. After it, the bill goes to the cabinet to be promulgated as a law by the President of the Republic; of course, if the Council has accepted the Assembly's text unamended the bill goes straight to the cabinet after passing through the Council.<sup>22</sup>

The influence of the Council over legislation has been very limited, because the Assembly has not been disposed to treat favourably the amendments it has suggested. The Council has passed without amendments about 60 per cent. of the bills sent to it. With regard to the remaining 40 per cent. the Assembly has accepted all the Council's amendments to about one-third of the bills, has accepted some of those made to about half the bills, and has completely rejected those made to the rest. These figures exaggerate the Assembly's agreement with the Council, for most of the amendments it has accepted have been concerned with drafting or with minor technical arrangements and not with matters of substance. The government has not been able to make effective use of the Council as an ally against the Assembly, as some governments in the Third Republic used the Senate against the Chamber of Deputies, or as a place in which to make amendments designed to satisfy criticisms voiced in the other chamber, as the British government uses the House of Lords.

The whole legislative process in France is thus characterised by the dispersion of power among the government, the deputies and senators, the groups, the committees, and the conferences of presidents. The dispersion is so great that it is often impossible to fix responsibility for a decision or

<sup>21</sup>The council can do both with regard to a bill—it may propose amendments and then reject the whole text at the final vote. When this has happened, the Assembly has not examined the amendments but has voted on its own original text as a whole (e.g., the second version of the electoral reform bill in May, 1951).

<sup>22</sup>The constitution provides that the President of the Republic may request that the chambers reconsider a bill that has been sent to him. By December, 1952, such a request had been made about nine bills, for technical reasons relating to procedure or to the drafting of the bill. The constitution also provides for a similar but more elaborate procedure for a bill which the Council of the Republic considers to amend the constitution implicitly. A special procedure is used for bills explicitly amending the constitution.

for a failure to decide; the responsibility belongs to a fluctuating majority or to all the participants—or to the system.<sup>23</sup>

### *Financial Measures*

The conflict between the authority of the government and the autonomy of the deputy is particularly acute in the field of national finance. As in Britain no tax may be imposed and no expenditure incurred unless sanctioned by law, but while in Britain it is the government that decides on the contents of the law, in France the decision is made by the government in what may be called hostile collaboration with the parliament. Although the deputies have lost a little ground from time to time, they yet retain a more effective control of financial legislation than do M.P.s; but the way they exercise their power prevents the state pursuing a strong, consistent, and continuous financial policy.

The system of financial legislation in the Fourth Republic has not yet been completed. The Constitution provides for a special law to regulate the method of presenting the budget; this law has not yet been enacted, and financial measures are now governed by the pre-war rules as modified by current political needs.<sup>24</sup> In principle there should be one finance bill establishing both the expenditure and the revenue for the financial year, which runs from January to December, and this bill should be passed by the end of the previous year. In practice there is a whole series of bills and it has never happened that all the principal bills have been passed before the start of the year to which they refer. Thus in 1951 seventy-six financial bills were passed, of which forty-one referred to the year 1951 and thirty-five to the year 1952.

First, there is a set of ministerial budgets, each presented in a separate bill, one for each of the government departments, major sub-departments, major agencies, and important special funds. These are the equivalent of the British estimates, and allocate expenditure with great precision; the chapters of each budget have to be voted individually, and normally the government can make subsequent transfers of credits from one use to another only if it first obtains authority by a new bill. These budgets start to reach the Assembly after the summer recess. They come as separate bills, and are not consolidated into a single appropriation bill. Second, there is the main finance bill, which deals with taxation after recapitulating the ministerial

<sup>23</sup>In July, 1953, the National Assembly passed a bill to amend the constitution so as to meet certain criticisms of the system described above. Among other changes, the bill provided that senators' bills should no longer have to be sent to the Assembly immediately they have been presented but should be sent to the Assembly only if the Council has passed them after the usual debates; that the government should be able to introduce bills into either chamber, except that bills ratifying treaties, financial bills, and bills increasing expenditure or reducing revenue should still be introduced into the Assembly; that if the two chambers should disagree about a bill, it should shuttle between them and be amended during its progress until a hundred days have elapsed since it was sent to the Council for its second reading in that chamber, when the text last adopted by the Assembly will become law unless the two chambers have earlier agreed on a text. The Council was due to debate the bill after the vacation.

<sup>24</sup>Mr. Lidderdale's account does not always distinguish clearly between the system in the Third Republic, the present complex system, and the system which may exist when the permanent procedure has been established. For a discussion of the different procedures used since 1945, see the speech of M. Faure, then Minister of the Budget, in *A.N.* 1951, pp. 5495 and 5498.

budgets and making changes in them. These changes may be very important, and may result from changes in the political situation since the budgets were prepared.<sup>25</sup> Juridically, the finance act and the ministerial budgets constitute the budget law. Third, if, as usually happens, even the most important ministerial budgets have not all been passed by the start of the financial year, special bills are passed, normally permitting expenditure at the monthly rate of one-twelfth of the previous year's credits for the service concerned. Fourth, further bills are passed during the year to deal with emergencies and with errors in the first calculations.<sup>26</sup>

All these measures go through the usual legislative process, modified to allow for the principle that to control finance is the best way to control policy. Each bill is automatically referred to the finance committee, whose meetings will be attended by representatives of any other committees concerned with the subject-matter of the specific bill the finance committee is considering. The finance committee works through a general reporter and a score or so of special reporters, each charged with one or more of the departmental budgets. The general reporter takes general charge of financial measures, and is the Assembly's counterpart of the finance minister. He shares his general charge with the chairman of the committee.<sup>27</sup> Each special reporter guides the committee in its examination of his parts of the financial bills. He may be out of sympathy with the ministers most concerned or with the government as a whole, and his influence, together with other factors, may induce the committee to recommend to the Assembly that it should make drastic alterations to the government's proposals or should refuse to consider them until the government has altered them. He may not only be an anti-minister, he may also be an ante-minister, so to speak, for by taking a strong line he may increase his chances of becoming a minister.<sup>28</sup> On the other hand, it has been rare for him to be an ex-minister. Its size, its permanence, its use of special reporters, its possession of secretarial aid, and its right to investigate the work of the departments and to take evidence from them, all enable the finance committee of the Assembly to scrutinise proposals for expenditure more thoroughly than can the Estimates Committee of the House of Commons. The same is true of the finance committee of the Council of the Republic.

<sup>25</sup>For example, the finance act for 1952 empowered the government to cut expenditure by 3 per cent. and to block credits equivalent to another 3 per cent. until enough surpluses from taxes and loans had been accumulated to cover them. The budgets had been prepared by the governments of MM. Pleven and Faure, each of which had been defeated in its attempt to pass a finance bill, while the finance act was the work of M. Pinay's more conservative government, which later resigned when some of its supporters deserted it during its attempt to pass a finance bill for 1953.

<sup>26</sup>M. Mayer's cabinet was overthrown in May, 1953, on such a bill, after it had secured the passage of M. Pinay's finance bill, amended in certain respects to satisfy the Assembly. The succeeding cabinet of M. Laniel secured the passage of a new supplementary finance bill.

<sup>27</sup>In July, 1953, the general reporter (M. Barangé) had held office since June, 1946, and had seen the finance ministry change hands twelve times. M. Reynaud was chairman of the committee from July, 1951, to July, 1953, when he became a minister; in those two years there were four finance ministers.

<sup>28</sup>Thus M. Abelin, a special reporter of the finance committee for M. Pinay's finance bill in April, 1952, was appointed an assistant finance minister in September, 1952, to help M. Pinay with the financial measures for 1953.

It is not only the committees and their spokesmen who have power over finance; so also have the individual deputies. The constitution gives them the right to initiate expenditure, and this right is frequently exercised both by major measures, such as the 1951 bill to subsidise church schools, and by minor ones, such as a bill to aid a commune damaged by floods. The constitution limits the right by forbidding deputies to propose more expenditure or less taxation during the discussion of budgetary measures, but the standing orders restrict the effectiveness of this limitation, and deputies can always refuse to vote a credit or to debate a whole ministerial budget, unless the government revises it to satisfy them in whole or in part.<sup>29</sup> Since December, 1948, the annual finance bill has contained a clause prohibiting for a year proposals to increase expenditure or reduce revenue unless they are accompanied by new taxes or economies of equal value. This *loi des maxima* is not completely effective, for the government does not always insist on its application.

The rights of senators in finance vary somewhat from those of deputies. The constitution prohibits the Assembly from receiving senators' bills which would reduce revenues or increase expenditure. The rules of the Council of the Republic extend this prohibition by declaring invalid amendments to a budgetary measure that would increase an expenditure beyond any amount that the government or the finance committee has proposed in the Assembly—the only exceptions are amendments transferring credits from one chapter to another. This rule is so framed as to allow senators to propose that if the Assembly has voted less than the government wanted the Council can advise the Assembly to adopt the sum proposed by the Government or some intermediate sum.

The financial work of the French parliament is not limited to voting credits and raising revenues; it extends also to supervising expenditure and accounts. Supervision of expenditure is done chiefly by the special reporters of the finance committees of the two chambers, who go into the ministries to see how public money is being spent. They and other representatives of their committees have particularly close relations with the officials of the Finance Ministry stationed in each ministry. In the application of a financial measure, parliament may give substantial discretion to the government in conjunction with the committees.<sup>30</sup> All the standing committees take note of how the

<sup>29</sup>M. Pinay, then Prime Minister, declared during the debates on the financial measures for 1953: "The amendments tabled so far represent 190 milliard francs (about £190 million) of new expenditure and 200 milliard francs (about £200 million) of reductions in revenue" (*A.N.* 1952, p. 6690). The government made many concessions, like its predecessors and successors. On the other hand, M. Mitterand, who has had ministerial experience, considers that deputies have usually withdrawn their demands for extra expenditure when the government has opposed them (*A.N.* 1953, pp. 2865-6).

<sup>30</sup>M. Laniel's supplementary finance act for 1953 empowered the government to transfer credits from one chapter to another, provided that for each transfer it obtained the assent of the Assembly's finance committee and the advice of the Council's finance committee. Many deputies and senators doubted the wisdom of giving the Assembly's committee this power over the government. Similar proposals had been defeated in the debates on the regular finance bill for 1953, although the final text of that bill required that the government should obtain the assent of the Assembly's finance committee to regulations establishing the conditions in which a certain tax would be levied.

departments with which they are concerned conduct themselves and spend their credits.<sup>31</sup>

Finally, the accounts of the departments, agencies, and special funds are referred to the Assembly, which is charged with regulating the national accounts. This is done in accounts bills passed in the normal way. To aid it, the Assembly has the reports of the very thorough Court of Accounts, a high administrative tribunal independent of both the government and parliament and corresponding to the British Comptroller and Auditor-General. The Court examines the accounts and passes judgment on their correctness.<sup>32</sup> Members of the Court of Accounts, of the Council of State, the highest administrative court, and of the Assembly serve on a committee on Ministerial Accounts. Taken together, all these agencies work so thoroughly that it seems certain that irregularities will be discovered sooner or later, and this certainty should be a strong inducement to civil servants to refrain from committing them.

The extension of state activities by nationalisation has created new problems of public finance. The government is required to present to parliament the annual accounts of the nationalised industries and public agencies. Each chamber sets up a sub-committee, representing its three committees of finance, industrial production, and economic affairs, to examine the administration of the industries. Parliament is aided by an extra-parliamentary committee for the inspection of the accounts of public undertakings, which presents to parliament, the government, and the Court of Accounts a general report on these industries and agencies and may make recommendations about them. So far, little attention has been paid on the floor of either chamber to any of these reports by parliamentary and extra-parliamentary committees. But they have helped the committees of the chambers in their work, and the government has given effect to many of the recommendations made in them.<sup>33</sup>

#### *Parliamentary Control of Administration*

Control over legislation and control over finance can be regarded as methods of control over administration as well. This is particularly true if, as in the Fourth Republic, the government has to obtain legislative authority for actions which in Britain can be taken in virtue of the prerogative or of a statute, and if the control of finance extends from the stages of estimating and authorising expenditure to the stages of supervising and auditing it. Yet these are not the only ways in which the French parliament can exercise a continuous scrutiny of the conduct of the government and its agencies.

This scrutiny starts with the formation of each new cabinet, but the

<sup>31</sup>Each chamber appoints a special joint sub-committee of its committees for finance, defence, and the overseas territories to supervise the finances of the armed forces. Here, as elsewhere, to examine finance is to examine policy. Thus, after members of the Assembly's sub-committee had visited Indo-China in 1953, they prepared a report dealing with many aspects of French policy and organisation there.

<sup>32</sup>Before the war the Court was always several years in arrears, but it is now reporting on a year's accounts within two years.

<sup>33</sup>Thus in May, 1953, the government made extensive changes in the organisation of the nationalised industries as the result of a report from the committee for the inspection of the accounts of public undertakings. Important though they were, these changes did not require prior approval by parliament (*Le Monde*, 13th and 17th May, 1953). An account of parliamentary and other enquiries into the nationalised industries is given in D. Pickles, *French Politics*, pp. 248-256.



several changes of government in recent months have drawn so much attention to the part played by the Assembly in this process that it need not be discussed here. Of the instruments which the Assembly possesses, the general committees are the chief. Their tasks are not confined to legislation and finance. They consider also proposals for resolutions, which may demand that the government should take a certain action or introduce a bill on a certain subject. They examine the policy and administration of their appropriate departments, which are sometimes required by statute to obtain the consent of the committees to decrees which do not need to be ratified by a bill. The committees do not confine their work to the civil servants and records in Paris; by asking the chamber for special powers of enquiry they can conduct investigations in the provinces or overseas; three dozen such requests have been made by the committees of the Assembly and two dozen by those of the Council—all have been granted. These investigations, whether made in Paris or elsewhere, have met with some severe criticism—it has been held that they waste the time of ministers and officials, present a minister's officials with a rival claimant to their allegiance, and facilitate corrupt or otherwise dangerous meddling by parliamentarians in the routine work of the departments.<sup>34</sup> On the other hand, they enable the parliamentarians to share in the effective government of the country and to get to know the problems of administration. Each chamber may also appoint special committees of enquiry to investigate a scandal or to examine a problem—a few have been created by the Assembly, but none by the Council. Occasionally such a committee is established by a law. The committee's report will be submitted to the chamber, which may take action upon it or advise the government to do so. Legislation may establish permanent special committees, such as the sub-committees on the nationalised industries and defence expenditure which have already been mentioned. The government may appoint parliamentarians to its own temporary and permanent advisory committees.

Second, in addition to controlling administration the two chambers participate in it. They are represented by some of their members on more than fifty extra-parliamentary bodies which control, examine, prepare legislation for, and give advice about, branches of the administration and sectors of the nation's life.

The third method for control of the administration is the parliamentary question. Normally, each Friday the Assembly starts its business with ten oral questions and once a month a whole sitting is devoted to oral questions. A question cannot be put on the order paper for reply until a week after it has been asked; the responsible minister answers the question and the deputy who has asked it (or his substitute) may reply to the minister; neither the minister nor the deputy may speak for more than five minutes, and no other deputy may be called to speak. Question time in the Assembly is therefore less frequent and less exciting than question time in the Commons. Deputies may also ask questions for written reply. In comparison with

<sup>34</sup>The majority in each chamber has acted to eliminate what it has considered one danger—the intervention of Communist deputies and senators in the administration. Sub-committees without Communist members are appointed to deal with matters involving the safety of the state, and Communists are not appointed as chairman of the general committees or as special reporters of the finance committees.

M.P.s, deputies make little use of questions, for they have so many other ways of gaining information and exercising control.<sup>35</sup>

Fourth, if a deputy is dissatisfied with a minister's behaviour in a certain matter or with the government's policy, he may table a demand for an interpellation—that is to say, a demand for an explanation from the minister, and a debate upon that explanation. When applied to matters of detail, the procedure may be compared with the daily adjournment debate in the Commons; when applied to matters of major importance, it resembles the debate on a special motion or on a motion of censure in the Commons.<sup>36</sup> The number of such demands has risen from about 200 in 1947 to about 350 in 1951 and 1952. Only a single deputy can sponsor an interpellation, but there is nothing to prevent several deputies each tabling one on the same issue, and this is often done—one deputy from each of several parties tabling an interpellation on a single subject. The interpellation was a powerful weapon in the Third Republic, but it now seems much less important. Thus in 1952 it was only with reference to thirty-five demands that the Assembly discussed the fixing of a date—the demands were grouped so that only nine discussions were held; only with reference to seventeen demands did the Assembly proceed to an interpellation debate—and these were grouped so that there were only three debates. The debate on an interpellation is normally closed by the voting of a motion. The motions proposed may range from a simple announcement that the Assembly will pass to the next item on its agenda to an elaborate statement of policy expressing support for the government or hostility to it. The search for a formula which will rally a majority of deputies may be a long and difficult one.

In the Council of the Republic, questions may be tabled for written or oral reply. A special type of question—the oral question with debate—corresponds to the interpellation, although as ministers are not responsible to the council the motion closing such a debate does not explicitly declare confidence in the government or hostility to it.<sup>37</sup>

Allied to the question by a parliamentarian is the petition from one or more citizens. A petition sent to either chamber is referred to that chamber's standing committee on the franchise, the constitution, the standing orders, and petitions, which almost always sends it to the minister, whose reply is

<sup>35</sup>About seventy oral questions are answered each year—about half as many as are asked. About 4,000 written questions are asked each year, and only a few go unanswered. In the House of Commons about 13,000 oral questions are tabled in a normal session, about fifty are answered each day except Friday—or about 7,000 in a normal session—the rest receiving written answers. About 3,000 written questions are asked and answered in a normal session.

<sup>36</sup>The French constitution also provides that deputies may propose formal motions of censure, and that the government must resign if an absolute majority of the Assembly votes against the government on such a motion. Only a few such motions have been tabled, fewer have been debated, and no government has been defeated on one.

<sup>37</sup>About eighty oral questions are asked in a year, and about half as many are answered. The number of written questions has varied between 600 and 1,200 a year, and only a few are left unanswered. Between ten and twenty-five oral questions with debate have been discussed each year; often several questions on a single problem are discussed together. Although ministers are responsible only to the Assembly, they may speak in each chamber even if they are members of neither, as is occasionally the case. This is a right which might usefully be given to British ministers, as it would eliminate most of the political disadvantages of peers and reduce the need for so many junior ministers by making it no longer necessary to appoint a junior minister in one House to speak there on behalf of a minister sitting in the other.

published as an appendix to the verbatim report of debates. Petitions can be debated, but never are.<sup>38</sup>

Yet although they have all these methods of controlling the executive, deputies and senators frequently declare that the government evades their control. The complaint is valid, and there are several reasons for it. The parliamentarians try to do too much—to legislate on important and trivial matters alike and to determine both general policies and their detailed application.<sup>39</sup> They are too much divided among themselves—there are usually between ten and twelve party groups in each chamber—and their motives for examining a problem may therefore vary so much that they will fail to exert continuous and well-directed pressure on the government. The government is also divided—it may be able to survive only if each minister is left free within his own sphere of action, uncontrolled either by his colleagues, who enjoy a similar freedom, or by parliament, which may disrupt not only the government of the day, but also the continuing coalition which sustains successive governments, if it debates too controversial an issue.<sup>40</sup> The state is undertaking many new activities, and it is doing so with agencies developed piecemeal and not forming a well-organised hierarchy. For these and other reasons, some common to many countries and others peculiar to France, parliamentary control of the executive tends to be a hit-and-miss affair. In France, as elsewhere, the ratio of hits to misses and the effectiveness of the hits will depend not only on the methods of hitting—that is, on parliamentary procedure—but also on the nature of the parliamentarians and of the administration. It is not, therefore, surprising that in recent years the growing demand for procedural changes has been accompanied by demands for new attitudes on the part of parliamentarians and for reforms of the administration. To be effective, parliamentary control of the executive needs not only a well-organised parliament, but also a well-organised executive.

<sup>38</sup>Between 60 and 130 petitions a year are received, most of them by the Assembly; they deal chiefly with alleged injustices to individuals, instead of with the protests about public policy usually found in the few petitions sent to the Commons. Petitions can be sent only to the two chambers and to the Assembly of the French Union; they cannot be sent to the President of the Republic.

<sup>39</sup>"The Government consists of the Assembly and the Cabinet," said a leading draftsman of the constitution (D. Pickles, *French Politics*, p. 276). This is not true as a statement of fact, but it is what many parliamentarians would like to come true.

<sup>40</sup>Thus successive governments have tried to avoid general discussions of foreign policy and have delayed as long as they could the debates on the bills to ratify the various treaties promoting the unification of Western Europe.

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## CORONA

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# The Right of Legal Representation Before Administrative Tribunals

By M. R. McLARTY

*Mr. McLarty, Lecturer in Administrative Law in the University of Edinburgh, writes on an important topic that has aroused much interest in recent years.*

THE right of legal representation before administrative tribunals,<sup>1</sup> or, more accurately, the refusal of the right of legal representation before certain administrative tribunals, has been a subject of much discussion for some years, and the question has at times assumed a semi-political complexion. This article sets forth the results of some research into the facts of the situation in the United Kingdom and in the Dominions.

## Introduction

For many years now there has been an increasing tendency to confer exclusive jurisdiction upon administrative tribunals and Ministers in certain matters, disputes in connection with some of which would have formerly been decided by the ordinary law courts. There is a general awareness, says Mr. Pollard,<sup>2</sup> of the multitude of administrative tribunals which now exist in Great Britain and of which there were as at 15th December, 1948, over 100 of a judicial or semi-judicial nature<sup>3</sup> (and more have been created since then). These may often be, as Mr. Pollard again observes,<sup>4</sup> more important to the ordinary citizen than the ordinary law courts. The problems and the topics they deal with may and indeed in many cases do touch him in the every-day affairs and essentials of life. Numerous arguments have been put forward in favour of these tribunals as against the ordinary law courts in respect of the subjects which fall within their jurisdiction. These may be summarised as follows :<sup>5</sup>

- (a) The law courts are too busy ;<sup>6</sup>
- (b) The law courts are unsuitable as specialised knowledge is necessary and the ordinary lawyer is not acquainted therewith ;
- (c) These tribunals become experts in their respective spheres ;
- (d) The procedure before these tribunals is informal, speedier and cheaper, the ordinary rules of evidence not being adopted ;
- (e) The services of an advocate—counsel or solicitor—though often useful are not necessary in such cases ;
- (f) The tribunals are unfettered by precedents.

The opponents of the system<sup>6</sup> point to the value to the subject (and

<sup>1</sup>These fall to be distinguished from domestic tribunals of domestic bodies. Robson, *Justice and Administrative Law* (1951), 317, etc., 620, etc. Pollard, *Administrative Tribunals at Work* (1950), Introduction, xii, xiv.

<sup>2</sup>*Administrative Tribunals at Work*, Foreword, vii.

<sup>3</sup>See H. of C. Debates, 15th December, 1948, col. 1229, for a statement by the Attorney-General that there were then that number in which the legal profession had the right of audience.

<sup>4</sup>*Administrative Tribunals at Work*, Introduction, xi.

<sup>5</sup>Pollard, *supra*, Introduction, xii. See Robson, *supra*, 557, etc.

<sup>6</sup>See as to some of the disadvantages, Robson, 573, etc.

even maintain his inherent right) of having his dispute or problem determined by persons trained in the law, skilled in weighing evidence, judging of credibility, etc., and of being able to present his case through one skilled in the preparation, presentation and arguing of a case. Also they question the alleged speediness of the system and argue that cheapness may be obtained at the expense of the proper and fair presentation of a case.<sup>7</sup> A further argument is that allowing legal representation secures that the representative will be one who has to conform to certain professional standards of conduct. Whatever the relative merits of these arguments, the fact is that there are now very many such tribunals, which vary in constitution, practice and procedure.<sup>8</sup>

### *Legal Representation*

To turn now to the question of legal representation before such tribunals. The object of excluding such representation is, Sir Cecil Carr<sup>9</sup> suggests, to save time and expense. The applicant however, says Mr. Pollard,<sup>10</sup> should be entitled to have a lawyer or a representative of his association or a friend to appear for him before such a tribunal. Thus, as he says, the absence of a legal representative may be a serious handicap at a Town and Country Planning Act inquiry or appeal. Now these alternatives of a lawyer, an association representative or a friend are one of the grounds of complaint made by the legal profession, who argue that only lawyers can adequately present the applicant's case. Before the ordinary courts of law of the land representation by lawyers only is allowed and the problems that come before tribunals may be as important to the applicant as any he may be entitled to take to the courts. In actual fact, these alternatives are allowed in many cases before administrative tribunals. Mr. Griffith and Mr. Street in their recent book<sup>11</sup> say that in their view generally all parties should be entitled to legal representation with one exception only—when one party is the Administration, that party should be represented legally only if and when the other party is so represented. Mr. Pollard<sup>10</sup> is of the view that it is quite nonsense to say that every applicant can state his case adequately or that a tribunal can take over the advocate's functions for him. But, although he favours legal representation, Mr. Pollard has a tilt at the lawyers. Legal representation is a help in many ways, he says, but professional advocates are welcome only as taking on themselves a part in the administration of justice.<sup>12</sup> There must be no delays, no unnecessary questions to witnesses, etc., no unnecessary technical quibbles. And he recommends the formation

<sup>7</sup>Thus it has been said that the need for cheapness and speed does not *per se* justify the supersession of the law courts by administrative tribunals. Robson, *Justice and Administrative Law* (1951), 626, cited by Pollard, p. 11. And see *Law and Orders*, C. K. Allen (1945), pp. 151-2. And note the arguments in Australia, *infra* pp. 373-4.

<sup>8</sup>Pollard, *supra*, Introduction, xiii. See as to the value of such tribunals, Robson, *Justice and Administrative Law* (1951); "Administrative Tribunals," *Public Administration*, vol. XXV, p. 186; *Public Administration*, vol. XXIV, p. 164, and L.Q.R., 1947, vol. lxiii, p. 164.

<sup>9</sup>*Concerning English Administrative Law* (1941) by C. T. Carr, p. 110. See *infra* pp. 375-6, that it does not always do so.

<sup>10</sup>*Supra*, Introduction, xv.

<sup>11</sup>*Principles of Administrative Law* (1952), p. 193.

<sup>12</sup>See in regard to Canada, *infra*, p. 375.



a bar of advocates trained in such cases, which involve a technique of advocacy appropriate to themselves, a technique that lawyers should work out and in which they should receive tuition. Thus, he thinks, new types of advocates are required, otherwise there may come a dangerously widening gap between justice preserved by law and the social justice of administrative committees.<sup>13</sup> A far larger number of the legal profession should work with and for trade unions and similar bodies. The tribunals need the help of lawyers, but these must be lawyers skilled and trained in administrative law and practice. Thus, in dealing with tribunals under the Furnished Houses Rent Control Act, he says<sup>14</sup> that, as matters stand, the tribunals are not always helped by the presence of legal representatives, for the party may not be put in the witness box, the representative may not have fully understood the information required by the tribunal, which in the absence of instructions he cannot supply; thus, while it is in the party's interest to be represented he must have a representative who knows the nature of the proceedings and the need of a full presentation of all the relevant facts. While Pollard laments<sup>15</sup> the abolition in England of the old Assessment Committees with their informal procedure, which enabled the ratepayer to conduct his own case, he says<sup>16</sup> on the other hand that the absence of legal representation before a Town and Country Planning Inquiry may be a serious handicap to the appellant. There are, it is true, cases where legal representation is allowed, but little advantage has been taken of it.<sup>17</sup>

In 1932 the Committee on Ministers' Powers recommended that there should be a right to legal representation in all cases. Again in 1944 the Rushcliffe Committee on Legal Aid recommended legal representation under the Legal Aid Scheme at these tribunals: this, however, was not carried out in the Legal Aid Acts and regret has been expressed at this.<sup>18</sup>

In 1947, at a time when more and more of these bodies were being set up, the then President of the Law Society addressed a letter on the subject to *The Times* (5th March, 1947), stressing the importance of legal representation and the perturbation that was being felt at the increasing tendency to exclude.<sup>19</sup> In their Annual Statement for 1946 issued in 1947<sup>20</sup> the Bar Council intimated that they had made representations to Government Departments on the matter and that they had agreed on joint consultation with the Law Society on any such matters, and that they had also made arrangements to be notified of any such Parliamentary proposals to exclude representation on any matter affecting the profession. Both bodies were subsequently vigilant in endeavouring to secure and in securing legal representation, e.g., in 1951 the Law Society pressed for legal representation before Coroners at the Departmental Committee on Coroners' Rules, and urged the Minister of Health to allow it in regard to the Regulation Appeal Committees of the

<sup>13</sup>Pollard, pp. 32-3.

<sup>14</sup>pp. 72-3.

<sup>15</sup>p. 98.

<sup>16</sup>p. 109.

<sup>17</sup>Pollard, *supra*, p. 69, note 6, referring to the Furnished Houses (Rent Control) Tribunals.

<sup>18</sup>Griffith and Street, p. 193. This was not done at the time to avoid overloading the Scheme. Attorney-General in House of Commons, 15th December, 1948.

<sup>19</sup>See 203 L.T. 123, *Law Society's Gazette*, March 1947, p. 71.

<sup>20</sup>See 203 L.T. 167.

Whitley Council for Health Service. As a result of representations, assurances were given as to the right of audience before tribunals under the Wireless Telegraphy Act, 1949, and the Iron and Steel Act, 1949.

In Scotland the Scottish Law Agents Society have also been prominent in their efforts to secure legal representation. An article in their *Gazette*<sup>21</sup> has said that it was difficult to see the advantages of not allowing representation in view of the complexity of many statutory regulations, and has stressed the point that law must be seen to be correctly administered, which could only be so if there was a right of legal representation. Steps were taken by the Council of the Society and these included representations to the Lord Advocate.<sup>22</sup> The view was expressed in one journal<sup>23</sup> in favour of the course adopted in Australia of limiting fees and thus at least securing cheapness of legal representation.

Sir Carleton Allen<sup>24</sup> has expressed doubts on the validity of the exclusion of legal representatives under the relative Acts. The regulations excluding representatives were certainly made under Acts which do not themselves expressly authorise exclusion, though conceived in wide terms, but the question of whether the exclusion is in any case *ultra vires* has never been tested in the Courts. In Halsbury's *Laws of England*,<sup>25</sup> dealing with a solicitor's right of audience in general, it is laid down that he has no such right except where such has been acquired by statute or rule or the usage of a particular court, for every judicial tribunal can regulate its own procedure except where its procedure is prescribed by statute or settled by long usage; and this, it is said, should be the regulating principle where inquiries are held in relation to which no specific rules have been made so that a right of audience would be only by consent of the tribunal. Dealing with barristers, Halsbury says that, while they have a right of audience before all the superior courts and most inferior courts, a court may, in the absence of statute or established procedure, regulate its own procedure and the right of audience.<sup>26</sup> In Scotland an advocate has by usage a right to appear in any court unless excluded by statute, while a solicitor's right to appear is limited by statute or usage.<sup>27</sup>

It is probably true to say in conclusion, however, that there has been an increasing appreciation of the desirability of giving a right of audience to legal representatives. In a debate at the Committee stage in the House of Commons in 1949 on the National Parks and Access to the Countryside Bill, the Minister of Town and Country Planning expressed the view that the modern tendency to shut out legal representation had been very much overdone.<sup>28</sup> And during the passage of recent legislation, e.g., the National Parks and Access to the Countryside Bill, 1949,<sup>29</sup> by the Minister of Supply to a Committee of the Law Society with reference to the Iron and Steel Arbitration

<sup>21</sup>*Scottish Law Gazette*, vol. XI, pp. 112-3.

<sup>22</sup>Vol. XII, p. 213. See also Vol. XI, pp. 131 and 148, the former referring to remarks by the D.K.S. on the subject.

<sup>23</sup>*Solicitors Journal*, vol. 90, p. 519.

<sup>24</sup>*Law and Orders* (1945), p. 153.

<sup>25</sup>Vol. XXXI, pp. 70 *et seq.*

<sup>26</sup>Do. Vol. II, p. 495.

<sup>27</sup>*Encycl. of Laws of Scotland*, Vols. I (Advocate) and IX (Law Agent).

<sup>28</sup>See *Law Society's Gazette*, 1950, p. 78.

<sup>29</sup>*Law Society's Gazette*, 1950, p. 78.

Tribunal,<sup>30</sup> and by the Postmaster-General as to the Appeal Tribunal under the Wireless Telegraphy Act, 1949,<sup>31</sup> assurances were given that it would be allowed.

Now to turn to the facts of the case in England and in Scotland. Mr. Pollard has given a list of these tribunals as at 31st December, 1948, showing whether legal representation is allowed or excluded. There has since been published in the House of Lords Debates for 17th December, 1952, vol. 179, cols. 1073-6 as amended by 22nd January, 1953, vol. 179, No. 1208, a list of the tribunals before which legal representation is not allowed or is allowed only with the consent of some person, viz., the tribunal or its chairman. It would be superfluous to do the same in this article. But a few words may be said about them. There would appear to be a complete lack of uniformity in the matter, and it is certainly impossible to find any underlying principle as to the type of case where representation is or is not allowed.

Representation is allowed or not prohibited in, amongst others, such tribunals as those under the Furnished Houses Rent Control Acts; under the Housing Acts dealing with Compulsory Purchase Orders; the Acquisition of Land Authorisation Procedure Act; the Requisitioned Land and War Works Act; the Family Allowances Act; the Lands Tribunal Act, 1949; the Landlord and Tenant (Rent Control) Acts; the Town and Country Planning Acts; and the National Health Service Act.<sup>32</sup> Also before the National Arbitration Tribunal; the Conscientious Objectors' Tribunal; those dealing with Reinstatement in Civil Employment; the Pensions Appeal Tribunals; and the Commissioner under the National Insurance Act, 1946,<sup>33</sup> and the National Insurance (Industrial Injuries) Act; and for hearings under the Friendly Societies, Building Societies and Trade Unions and Industrial Assurance Acts. There is a wide field where representation is permissible or at least is not prohibited.

It may be desirable to say a few words about two sets of bodies that are much in the general eye—those dealing with the National Health Service and those dealing with the National Insurance (Industrial Injuries) scheme. Under the N.H.S. (General Medical and Pharmaceutical Services) Regulations 1948/506 (in Scotland 1948/1258) the appellant and any of the parties to whom notice is given may appear on an appeal to the Secretary of State by counsel or solicitor or other representative. The Committee and Council set up under the Act may appear by any duly authorised member or other official or by counsel or solicitor. Under the N.H.S. (Medical and Pharmaceutical Service Committees and Tribunals) Regulations 1948/507 (in Scotland 1948/1259) the complainant and the respondent may appear by counsel or solicitor and any council or other body may be likewise represented. In a circular by the Ministry of Health (E.C.L. 194) it is suggested that where the case is likely to be disputed and is one in which a number of witnesses is likely to be called, the Executive Council may wish to be legally represented. Under the N.H.S. (General Dental Services) Regulations 1948/505 (in Scotland 1948/1257) any party to an appeal before the Secretary

<sup>30</sup>*Law Society's Gazette*, 1949, p. 112.

<sup>31</sup>*Law Society's Gazette*, 1949, p. 112.

<sup>32</sup>Before the Secretary of State.

<sup>33</sup>S.I. 1948/1144, §16.

of State may appear by counsel or solicitor or by any officer or member of an organisation or any member of his family or any friend. A council or other body being a party to the appeal is entitled to appear and be heard by a member or their clerk or other officer duly appointed for the purpose or by counsel or solicitor. And under the N.H.S. (Supplementary Ophthalmic Services) Regulations 1948/1273 (in Scotland the Tribunal for Supplementary Ophthalmic Services (Scotland) Regulations 1948/1451) the council or any other body may appear by their clerk or other officer duly appointed or by counsel or solicitor. In the case of Industrial Injuries S.I. 1948/1299 provides a long list of those entitled to be heard before a Local Appeal Tribunal, and any person so entitled to be heard may be represented, but by counsel or solicitor only if the chairman of the tribunal allows it for some special reason.

Now as to cases where representation is not allowed. These include the Air Transport Advisory Council; Inquiries by the Commissioner under the Customs Consolidation Act, 1876; Inquiries by the Chief Registrar of Friendly Societies under the Savings Bank Acts, the War Loan Act and the Savings Certificate Regulations; the Catering Wages Commission; Wages Councils under the Wages Councils Act, 1945; District Valuation Boards under the Coal Industry Nationalisation Act, 1946; Military Service Hardship Committees under the National Service Act, 1948; the Disabled Persons District Advisory Committee; Local Tribunals under the National Insurance Act, 1946; the Insurance Officer, Medical Practitioner, Medical Board and Pneumoconiosis Medical Panel under the National Insurance (Industrial Injuries) Act, 1946; the National Assistance Appeal Tribunal; and the Appeal Tribunal under the Old Age Pensions Act. Under the National Health Service Regulations representation is not allowed before the Medical and Pharmaceutical Service Committees and Tribunal, the Dental Service Committees, and the Ophthalmic Service Committees. Representation was not allowed before Local Appeal Boards under the Defence General Regulations in the late war.

In some cases the prohibition is expressed as against counsel or solicitor appearing as such, e.g., the National Assistance Appeal Tribunal (where, however, the Board's solicitor can attend as the Board is entitled to be represented by the official who gave the decision in dispute or any other official of the Board); the Military Service Hardship Committees (only if the tribunal is satisfied that the representative is a relative, friend or the employer), though the Minister may be represented by counsel or solicitor.<sup>34</sup>

In some cases representation is allowed only by consent of the Tribunal or the Chairman of the Tribunal or person holding the inquiry, e.g., Police Discipline Appeals under the Police Appeals Acts, 1927 and 1943; the Tribunals of Inquiry dealing with serious offences against discipline by prison officers; the Fire Service Mutual Appointment Scheme (at the discretion of the Secretary of State); the Central and Local Price Regulation Committees;<sup>35</sup> the Industrial Injuries Local Appeal Tribunals; the Industrial

<sup>34</sup>Under the National Service (Armed Forces) Act, 1939, legal representation was not allowed before the Committee, though a relative, friend or employer could appear, but was competent before an umpire or appeal tribunal.

<sup>35</sup>This is a modification, made under S.I. 1949/809 of the former absolute prohibition.

Court; Tribunals of Inquiry under the Tribunals of Inquiry (Evidence) Act, 1921; and the compulsory purchase of lands by Parish Councils in England under the Local Government Act, 1933. A similar situation occurred under the Essential Works Order<sup>36</sup> during the late war where representation before a Local Appeal Board was allowed only if the Chairman sanctioned it.

Under the recent National Health Service Act, the National Insurance Act and the National Insurance (Industrial Injuries) Act, representation is only allowed as of right before the last of the set or ascending scale of tribunals to which under these respective Acts disputes may be referred.

### *Commonwealth Situation*

So much for the situation in the United Kingdom. It is not very easy to ascertain the situation in other parts of the Commonwealth<sup>37</sup> except in the case of Australia because of the lack of textbooks dealing with the subject or the absence of any previous investigation of the matter, though it is understood that research is going on in Canada and New Zealand. The writer is much indebted to Professor J. B. Milner, Toronto University, Professor R. O. McGechan, Victoria University College, Wellington, New Zealand, and Mr. F. C. King, Lecturer in Administrative Law, Dublin University, for their kind assistance.

*Australia.*—There are numerous tribunals in Australia.<sup>38</sup> Professor Friedman<sup>39</sup> has listed them in ten categories:

(i) Regulation of industrial conditions as in the Coal Industry, Teachers, Tramways, Industrial Courts, and Wages Boards.

(ii) Disciplinary Tribunals for the public service, e.g., Public Service Boards, and the Public Service Commissioner.

(iii) Awards of Pensions, Allowances and other State grants.

(iv) Supervision of social conditions affecting the community—censorship of films, Licensing (liquor) Commission, fair rents, slum reclamation and housing, licensing of cinemas, town planning, and building referees.

(v) Licensing of occupations involving special skill or public responsibility, e.g., medical practitioners, solicitors, barristers, chemists, etc.

(vi) Supervision over trade, commerce and transport, e.g., industrial arbitration, Customs and Excise, regulation of transport—licensing, etc., Milk Boards, sugar cane prices, poultry diseases, bulk handling of wheat, licensing of milk vendors and dairymen, compulsory acquisition of apples and pears.

(vii) Assessment of taxes, rates and duties, including the Commissioner for Workers' Compensation.

<sup>36</sup>S.R. & O. 1942/1594 and 1944/815. See Pollard, *supra*, 24-5.

<sup>37</sup>It is understood that the position in Northern Ireland is similar to that in England.

<sup>38</sup>*The Commonwealth of Australia*, by Prof. G. W. Paton (1952).

<sup>39</sup>*Principles of Australian Administrative Law* (1950), pp. 87-95.

(viii) Legal protection of industrial property, e.g., copyrights, designs, patents and trade marks.

(ix) Compensation for interference with private property rights in public interest, e.g., acquisition of land, sugar cane prices, resumption of land for public purposes, and town and country planning.

(x) Various matters of State policy, or constitutional principles, e.g., audit.

Some are not easily classified, however, e.g., the Marine Board, under the Navigation Acts; the Land Commissioners; the Land Court; and the Prickly Pear Wardens Courts.

Professor Friedman points out that expert knowledge and experience of a particular matter is often the main ground for creating an administrative tribunal. The qualifications of the members depend on the nature of its functions. In some, legal qualifications are necessary. There is, however, no clear and consistent guiding principle. On the whole, professional qualifications predominate in the supervision of qualified professions, parity of employer or employee in industrial tribunals and legal qualifications usually where there are difficult legal technicalities or judicial weighing of evidence by an impartial person as in compensation, land valuation, naturalisation and deportation and disciplinary matters.

There has been a considerable distrust in Australia of the costly and lengthy procedure in the Courts and Professor Paton says<sup>40</sup> that rightly or wrongly the legal profession has been blamed for this. There is a tendency to exclude the profession in matters of industrial conciliation and arbitration. Experience, however, has shown that expert legal advice is needed in most cases, and thus at the present time only in a few cases is representation still excluded. The main case of exclusion now is proceedings before the Commonwealth Conciliation Commissioners, though by consent counsel may appear. At one time when, under the Defence Powers, Fair Rent Boards were Commonwealth bodies, representation was not allowed, but when after the war these bodies were returned to their States representation was allowed. Professor Friedman<sup>41</sup> lists the existing exceptions:

(i) In the Commonwealth—before Conciliation Commissioners under the Commonwealth Conciliation and Arbitration Act, 1947.

(ii) In New South Wales—before the Compensation Tribunal under the Agriculture Holdings Act, 1941.

(iii) In Victoria—before the following two tribunals, only by agreement of parties: (a) Councils of Conciliation and Arbitration in relation to disputes arising in the course of employment in a particular trade under the Employers and Employees Act, 1928; (b) the Court of Industrial Appeals in relation to breaches of the Factories and Shops Acts, 1928 and 1941.

(iv) In Queensland—only by agreement of all parties before the Industrial Court and Industrial Magistrates Courts under the Industrial Conciliation and Arbitration Acts, 1932-48.

<sup>40</sup>*Ibid.*, p. 109.

<sup>41</sup>*Ibid.*, pp. 104-6.



(v) In Western Australia—before the Railways Appeal Board and the Tramways and Ferries Appeal Board and, unless with consent of all parties, before the Court of Arbitration (except when the Court is sitting for the trial of an offence).

(vi) In Tasmania—before the Town and Country Planning Commissioner, except where the claim is for betterment increase.

It is noteworthy that some Acts expressly confer the right, e.g., in Queensland before the Public Service Appeal Board, the Picture Theatres and Films Commission, and the Fair Rents Courts.

But the present position was not achieved without some controversy. In 1936 objections were made successfully in the State of Victoria to the proposed exclusion of representation under the Workers' Compensation Bill.<sup>42</sup> Representations were made in 1942 by the Council of the Queensland Law Society to the Federal Attorney General, who acceded to their request for a change in the rules.<sup>43</sup> In 1944 the Attorney General's Advisory Committee on National Security Regulations recommended the removal of restrictions on audience before tribunals under the National Security Act, such as Fair Rents Boards and Manpower Appeal Tribunals. It was pointed out that if a non-legal representative appeared for a person, he was entitled to charge dearer fees. And it was suggested that, unless the tribunal authorised a higher fee, there should be a limit of three guineas on fees.<sup>44</sup> The movement in favour of representation found support from the President of the Law Council of Australia at the Annual Meeting in 1945,<sup>45</sup> who pointed out the advantages and importance of legal representation in that there was representation (a) by one skilled by experience and training for the work, and (b) by one who had to conform to certain ethical standards of conduct. In 1944 the Law Society of South Australia protested about Manpower (Local Appeal) Boards barring solicitors unless by consent and also as to the Australian Coal Production (War Time) Act, 1944, which also prohibited audience unless by consent.

Thus, in Australia, the need for legal representation has been and is fully recognised, and it is given effect to except in a very small and special class of case, generally of an industrial nature.

*Canada.*—In Canada, representation is generally allowed. There is no express legislation against a right of audience, and in practice no tribunal rejects lawyers, even though there is no express provision for their presence. But there is no inherent right to representation.<sup>46</sup> In the case of industrial disputes, the Industrial Disputes Investigation Act, 1907, c.20 s.41 (succeeded or renewed by the Act, 1927, c.112 s. 42) prohibited representation except with the consent of all parties, and the tribunal might refuse, but the 1927 Act (the Lemieux Act) was repealed by the Industrial Relations and Disputes Investigation Act, 1948, c.54 s.73, which does not contain a similar prohibition.

<sup>42</sup>*Scottish Law Gazette*, 1936, p. 10.

<sup>43</sup>*Scottish Law Gazette*, 1942, p. 80.

<sup>44</sup>See *Law Society's Gazette*, 1945, p. 12; *Scottish Law Gazette*, 1945, p. 10.

<sup>45</sup>*Scottish Law Gazette*, 1945, p. 67.

<sup>46</sup>Griffith and Street, *supra*, p. 157, referring to *Re Imperial Tobacco Co.*, 1939. 4 D.L.R., 99.

S.42 of the 1927 Act was not applied commonly because until 1940 there were very few lawyers active in labour law matters and the question did not therefore arise. From that time onwards there has been a great deal of professional activity in labour law matters, so that when it was proposed to insert a replica of s.42 in the 1948 Act there was much professional opposition<sup>47</sup> and as a result of that pressure the clause was deleted from the Bill. At one time too the Ontario Workmen's Conciliation Board, although there was no statute prohibiting representation, did not allow audience to lawyers, but this practice has in the light of experience been reversed and lawyers are now welcomed. There is no rule of *res judicata* as to the decisions of such Boards and workmen conducting their own cases often reappeared again and again with alleged new evidence or some new argument. With the presence of counsel this situation does not arise—the workman feels his case has been fully presented—and though the one hearing may take longer, in the end less time is spent on the case.

There has been complaint in Canada concerning the lack of an organised and uniform system of publication of rules and regulations of such tribunals, though some progress has been made, e.g., the Regulations Act in Ontario and Manitoba. Even the existence of a Central Registry in the Privy Council Office though helpful is not considered sufficient as there is still a discretion for publication.<sup>48</sup>

#### Other Countries

*Eire.*—In *Eire*<sup>49</sup> representation is allowed before the Commissioners of Income Tax, the Land Commission Tribunals, the Land Acquisition Arbitrator, the Registrar of Friendly Societies, and in respect of Registration of Title Land Registry, National Health Insurance, public inquiries under various Acts, such as Town Planning, Widows and Orphans Pensions, and Old Age and Blind Persons Pensions. It is not allowed, however, before a Minister in appeals to him under Town Planning, the Health Act, the Housing Act, and Social Insurance, and before Labour Courts<sup>50</sup> and Joint Labour Committees, Prices Advisory Body (only with consent of Tribunal), Valuation Commissioner, Civil Service Arbitration Board, and Unemployment Insurance and Unemployment Assistance Tribunals. In the case of these last two tribunals parties may be represented by persons who are not barristers or solicitors. But new tribunals have been set up under the Social Welfare (Insurance) Act, 1952, to deal with claims and disputes under the Act. These consist of Deciding Officers and Appeals Officers, who are civil servants appointed by the Minister, the latter being assisted if the Minister thinks it desirable by assessors. Regulations have not yet been made governing the right to legal representation before these new tribunals.

<sup>47</sup>*Canadian Bar Review*, 1948, vol. XXVI, p. 1338—"Administrative Law and the Canadian Bar Association" (being a review of the report of a Committee of the Association).

<sup>48</sup>*Canadian Bar Review*, 1948, vol. XXVI, p. 268—"Administrative Law 1923-47" by F. R. Scott. And see *Canadian Boards at Work* (1941) by John Willis.

<sup>49</sup>See articles on "Administrative Tribunals" by F. C. King, in 1951, 85 I.L.T. 155, 161, 167 and 173.

<sup>50</sup>It was so decided in High Court in *McElroy v. Mortished*, Labour Court Annual Report, 1949, Appx. 1.

#### THE RIGHT OF LEGAL REPRESENTATION BEFORE ADMINISTRATIVE TRIBUNALS

*The United States.*—Finally, a word may be said about the present situation in America. In 1926 the United States Supreme Court recognised that the giving of power to an administrative agency or tribunal to prescribe its procedural rules involved a right to make and enforce necessary and proper rules as to admission to practice before it. The law is now laid down in the Administrative Procedure Act, 1946, s.6 (a), being an Act to improve the administration of justice by prescribing fair administrative procedure. The right of representation is given unless it is otherwise provided in the Act.<sup>51</sup> Any person compelled to appear in person before any agency (that is, tribunal) shall be accorded the right to be accompanied, represented and advised by counsel or, if permitted by the agency, by other qualified representative. Every party shall be accorded the right to appear in person or by or with counsel or other duly qualified representative. Nothing is to be construed as granting or denying to anyone not a lawyer the right to appear for or represent others. Specialised bars have grown up, and sometimes representation is even limited to that bar, the Inter-Commerce Commission having a closely knit bar of its own.

<sup>51</sup>*American Administrative Law*, Schwartz (1950), pp. 84, 133. The Act followed a report of a Committee on Administrative Procedure in 1939. See *Administrative Law* by Gellhorn, 2nd ed. (1950).

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# Social Security in France

## PART I

By BARBARA RODGERS

*The first part of this survey deals with the organisation and finance of Social Security in France. The second part will analyse and discuss problems arising from the need to co-ordinate the various cash payments and services available. Mrs. Rodgers is Lecturer in Social Administration in the University of Manchester.*

### INTRODUCTION

AT the International Labour Conference in Philadelphia in 1944 social security was given a new interpretation.<sup>1</sup> It was agreed that it had come to mean not only that all should enjoy security of income, but that medical services should be available or within the means of all who need them, that the sick or injured worker should be helped back to work as soon as possible and if necessary retrained for suitable employment, and that parents should be aided in meeting their responsibilities. Moreover, social security in this broader sense seeks not only to maintain and restore working capacity, but to ensure that the opportunity to work is there—it implies some kind of full employment policy. The Beveridge plan for the reform of our social insurances assumed an adequate health service, an employment policy and family allowances, and was to be completed by reorganised schemes of assistance and voluntary insurance.<sup>2</sup>

The implication of this is that comparative studies of social security systems must deal not only with cash benefits, but with their relation to other vital health and welfare services. Moreover, it is not only the existing pattern of social administration which is of interest. What incentive is given to those administering the different services to look to the future and to see what they are doing as part of a wider plan, what opportunities exist for appreciating how far the total impact of the social services is positive and preventive, tackling the causes of insecurity and not just stopping the gaps?

In this country Lord Beveridge may have given eloquent expression to this wider conception of social security, to the interdependence of the income maintenance and health and welfare services, but in the event we have organised our social services on strictly functional lines. The system is mercifully simple to describe. But whether the meeting of each "need" by a separate administration (in a manner so complete as to out-Webb the Webbs) helps either beneficiaries or administrators to appreciate the common aim of all these services is another matter. In France, this interdependence is part of the pattern of social administration, and the three organisations

<sup>1</sup> "Post-War Trends in Social Security," *I.L.O. Review*, Vols. LIX and LX.

<sup>2</sup> See also "From Social Insurance to Social Security: Evolution in France," Pierre Laroque, Director General of Social Security at the Ministry of Labour, *I.L.O. Review*, Vol. LVII, 1948.

concerned with cash benefits (social insurance, family allowance and public assistance authorities) are also concerned with a wide range of curative, preventive and welfare services, which they aid financially or administer directly.

Much emphasis has been given to the demographic considerations which are said to have shaped French social policy. In the nineteen-thirties the demographic situation came to be regarded as the fundamental cause of France's decline and a conscious effort was made to reverse the trends of over a hundred and fifty years. Today the generous treatment of foreign workers and their families and the large maternity grants are a direct encouragement to population increases. But the family allowance proper and the rest of the social security scheme are all part of a family policy which is more concerned with securing social justice than with increasing the birth rate. In a country in which wages are relatively low and the principle of equal pay generally accepted, the health and happiness of young families would be seriously jeopardised without some such action. What is interesting about the French system of redistribution in favour of the family man is its extent. Half the total expenditure on social services is paid out in direct money allowances to families. Under certain conditions they may double the income of the lowest paid workers.<sup>3</sup>

Family allowances have a longer history in France than in any other country. Special allowances for large families were a feature of public assistance before 1914, and the first family allowance schemes were introduced by some employers in heavy industry around Paris in 1918. They financed them by paying part of their wages bill into equalisation funds (*caisses de compensation*) which paid out the allowances. In 1932 every employer in industry and commerce was obliged by law to pay family allowances and to belong to an equalisation fund. In 1939 the *Code de la Famille* extended family allowances to the whole population, introduced the maternity grant and single wage allowance (which will be described later) and dealt with other aspects of maternity and child welfare, which have had some effect in reducing abortion and the infant mortality rate. (Since 1936-38 the infant mortality rate in France has been reduced by 30 per cent., but in 1952 was still 42 per thousand births.)

Another element which has had a profound effect on the social security system is the tradition of mutual aid and trade unionism. This was greatly strengthened by the Act of 1930, which introduced social insurance for the lower paid industrial workers, administered by numerous Funds (*caisses*) run mainly by employers and workers, and by mutual aid societies which, like the British Approved Societies, came to dispense statutory benefits along with their friendly society activities. The state played very little part in all this. The scheme was financed wholly by statutory contributions from employers and workers. Family allowances, as we have seen, were financed entirely by the employers. In both cases the Funds tended to give not only cash benefits, but services in kind. The social insurance Funds were primarily interested in medical services (to support their sickness benefits), the family

<sup>3</sup>Gertrude Willoughby, "Population Problems and Family Policy in France," *Eugenics Review*, Vol. XLV, No. 2.



allowance Funds in a variety of health and welfare services for their member families.

In 1945 these two schemes, while retaining their identities and some financial and administrative autonomy, were brought together into a common pattern of social security administration. Meanwhile the much older public assistance service was retained and still has an important role to play, particularly in medical relief, since not more than about 12 of the 20 million working population (i.e., 60 per cent.) are employees, who alone are covered for social insurance.

About half the working population of France are self-employed or agricultural workers. This not only affects social security by diminishing the risk of unemployment (even today there is no unemployment insurance benefit), but also encourages strong sectional divisions. Many special schemes (for the mines, railways, gas and electricity and, most important, for agricultural workers) remain outside the general scheme, which is organised on a geographical basis. The intention of the 1946 Act to extend social insurance to cover the different groups of the self-employed has met with fierce opposition from farmers, shopkeepers and professional workers. They are suspicious of Communist influence in the management of the Funds and object to being "proletarianised" by having their interests identified with those of industrial employees. The extension of family allowances to cover the whole population has been more successful, but again only by creating separate schemes for certain sections of the community.

The main outlines of the social insurance and family allowance schemes in France are probably well known.<sup>4</sup> On the other hand little has been written on the health and welfare activities of the social security Funds (largely developed since 1948) or on their management, while the present public assistance services have received scant attention from French,<sup>5</sup> and apparently none at all from English writers. Nor has much been written about how these services are co-ordinated, or on how the whole situation compares with our own.

## THE NEW SOCIAL SECURITY ORGANISATIONS

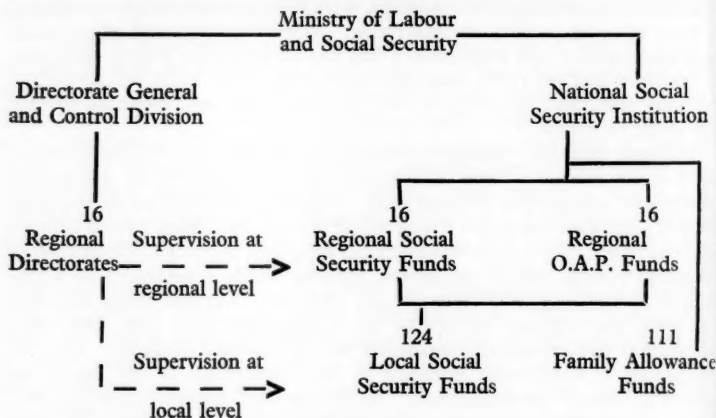
### *The Administrative Framework*

In the organisation of French social security, government departments with controlling and supervising duties work side by side with the Funds which execute the schemes. The Minister of Labour and Social Security is responsible to Parliament for general policy; supervision and control is exercised through the Directorate General of Social Security with its sixteen Regional Directorates. The Funds, managed by boards of elected members, are semi-public bodies with the legal status of private institutions and financial autonomy. They are subject to the same laws as Friendly Societies. With them lies the day to day administration of the Social Security Acts.

<sup>4</sup>See Dr. Gertrude Willoughby, "Social Security in France and Britain," *Political Quarterly*, January-March, 1948; "Social Security in France," *La Documentation Française Illustrée*, No. 35, p. 7, and the article in the *Eugenics Review* cited above.

<sup>5</sup>This gap has at last been made good by the excellent treatise of M. André Laporte: *L'Assistance Publique et Privée en France: Extrait du Juris-Classeur Administratif*, January, 1952. (Subsequently referred to as Laporte.)

In the general scheme<sup>6</sup> there are two parallel sets of Funds, the *Caisses de Sécurité Sociale* for social insurance and industrial injuries and the *Caisses d'Allocations Familiales* for family allowances.



The Local Social Security Funds are responsible for collecting social insurance and industrial injuries contributions, for paying sickness, maternity and death benefits and for medical treatment and temporary disablement benefits following industrial injury or occupational disease. The Regional Social Security Funds pay permanent disablement benefits, fix the contribution rates of different firms to the industrial injuries scheme, and co-ordinate the health and welfare activities, including accident prevention, undertaken by the local offices. The Old Age Pension Funds pay old age pensions and retired workers' allowances. The Family Allowance Funds collect the family allowance contributions, pay benefits and promote family welfare through various social activities. In most cases their areas coincide with those of the Local Social Security Funds, which are usually based on that of the *département*.

The Regional Funds and the National Social Security Institution receive a proportion of the contributions collected by the local Funds. Out of its allocation the National Social Security Institution operates a kind of re-insurance among the various social security offices on the one hand and the family allowance offices on the other. It also co-ordinates their health and welfare services at the national level.

### CONTRIBUTIONS AND QUALIFICATIONS FOR BENEFITS

For the employed workers in the general scheme contributions are all calculated on actual earnings up to a ceiling of 456,000 francs a year (say £456 at 1,000 francs to the £). This ceiling was fixed on 1st April, 1952.

<sup>6</sup>In order not to make the whole picture too complicated only the general scheme is described here. There are considerable differences in the organisation, contributions, and benefits of the special schemes, although their relation to the Ministry of Labour and Social Security is much the same.

## SOCIAL SECURITY IN FRANCE

It has been raised twice since January, 1951, when it was 324,000 francs. The amounts paid are as follows :

		Employer	Employee
Social Insurance .. .. .		6%	6%
Retired Workers' Allowance .. .. .		4%	—
Industrial Injuries .. .. .		av. 3.5%	—
Family Allowances .. .. .		16.75%	—

Contribution qualifications for all the social insurance benefits are slightly easier than for most benefits under the British scheme, except for the old age pension, where they are much more severe. At least sixty hours' employment (or proved unemployment) in the past three months is the normal qualification for the short-term benefits, with the additional requirement of 240 hours' employment over the past year for the long-term sickness and disablement benefits. In the industrial injuries scheme there is no qualification beyond that of being a contributor ; while in the family allowance scheme the right to benefit depends simply upon the following of some occupation or upon proof of inability to follow one. The unemployed, and women living alone with two children, are deemed to come within this category. The State makes a grant towards the cost of benefits received by this non-active group, who of course pay no contributions.

### CASH BENEFITS

In the social insurance and industrial injuries schemes benefits are related to actual wages, usually to the average wage received in the last month. Family allowances are related to a notional wage—the "basic" monthly wage of the *département*, which varies, the lowest being 20 per cent. below that of the *département* of the Seine, which is the highest. Since October, 1951, the basic monthly wage for the *département* of the Seine has been fixed at :

- (a) 17,250 francs for employed workers ;
- (b) 15,190 francs for employers and independent workers.

Maternity grants, however, are still calculated on the old basic wage of 12,000 francs for employed workers (10,000 for employers, etc.) of 1948.

#### *Under the Social Insurance Scheme*

Sickness benefit is paid from the fourth day for a maximum of six months for any one illness. It is half the daily wage (up to the ceiling) and is increased to two-thirds from the thirty-first day of incapacity if the insured person has three dependent children.

Long-term sickness benefit is paid to those suffering from diseases such as T.B. likely to last more than six months. It is a monthly allowance of half the wage, increased if there are three dependent children, for a maximum of three years, or even four if vocational training is involved. The local Fund decides in each case whether long-term sickness benefit shall be awarded

after the patient has submitted to a joint medical examination by his own and the Fund's doctor.

Disablement benefit is awarded where working capacity is reduced by two-thirds and is 30 per cent. of the average wage of the last ten working years. It may be increased for total incapacity or for constant attendance. At 60 it is replaced by an old age pension of at least equal amount.

Maternity benefit is paid only where the woman is insured in her own right. It is a daily allowance reckoned as for sickness benefit and paid for a period of six weeks before and eight weeks after confinement. It depends on the woman taking at least six weeks' complete rest.

Old age pensions depend in amount on the number of years of insurance (30 are required for a full pension), on the annual average wage over the past ten years, and on the age of the pensioner at the time of the award. The full pension granted at 60, the minimum age, is equal to 20 per cent. of the average wage, and there is an increase of 4 per cent. for every year of insurance completed after 60. No one will be eligible for the full pension until 1960, but for the insured person with 15 to 20 years of insurance a proportionate pension is paid. The pension is increased for a dependent wife or husband and if the pensioner has reared three children. Persons of at least 60 who prove they are unfit for work, or who have followed a specially laborious occupation, can claim a pension equal to that awarded to other pensioners at 65. Life annuities are paid to those with less than 15 years' insurance and a refund is made to those with less than five.

Retired workers' allowance, although financed in the case of employees by employers' contribution, is essentially a special assistance allowance, not an insurance pension. It fills the gap until the majority of workers have been in the insurance scheme long enough to be entitled to a substantial pension. To be entitled to this allowance one must :

- (a) Have been in regular employment since 1941 or have had employment at any time for 25 years.
- (b) Be 65, or 60 if proved unfit for work.
- (c) Have total resources (including the allowance) of less than :
  - (i) 188,000 francs a year if single ;
  - (ii) 232,000 francs a year if married.

These were fixed on the 1st October, 1951.

The annual allowance for a single person is around 60,000 francs (less in smaller towns and more in Paris) and there are the usual additions for a dependent wife and for having reared three children. This allowance unlike the pension does not entitle the beneficiary to medical benefits.

Death grant is a lump sum equal to three months' wage, not more than 102,000 francs. The *pompes funèbres* organised by many *Communes* gives them a monopoly in the undertaking business which prevents excessive expenditure on funerals.

The widow of an insured person entitled to a disablement pension, an old age pension or a retired workers' allowance, draws a pension of approximately half what the deceased drew or would have been entitled to

draw, if she (or he) is permanently disabled. If still able to work she must wait until 65 when a reversionary pension of the same amount can be drawn. There is the usual increase for those who have reared three children and a full pension for those who have reared five.

It is possible to become a voluntary contributor if you have been compulsorily insured for at least six months, or are under 40 and employed in a family business without remuneration. In both cases application must be made within six months. Voluntary contributors are not entitled to the cash benefits for sickness and maternity and only receive 25 per cent. of the basic salary category in which they are placed for contribution purposes for long-term sickness benefit.

#### *Under the Industrial Injuries Scheme*

A daily allowance for cases of temporary incapacity is paid from the first day following cessation of work. It equals half the daily wage and is increased to two-thirds as from the twenty-ninth day.

Annuity for permanent incapacity is paid to those who are left permanently disabled and is related to their average wage in the twelve months prior to the accident and to the degree of their disablement (calculated on a rather more complicated formula than the British one).

Widows and widowers of the victim of a fatal accident receive an annuity of 25 per cent. of the wage with a percentage increase for dependent children. Dependent parents may receive an annuity of 10 per cent. The whole of the annuity may not exceed 75 per cent. of the wage.

Funeral expenses are paid within certain limits.

#### *Under the Family Allowance Scheme*

Family allowances proper are paid to families with at least two dependent children :

- (a) 20 per cent. of the basic wage for the second dependent child ;
- (b) 30 per cent. of the basic wage for the third and each subsequent dependent child.

To this since 1948 must be added increases in respect of an income tax rebate, which now amount to nearly 1,000 francs for the second child and 1,500 francs for each subsequent child.

Maternity grant amounts to :

- (a) Three times the basic wage for a first birth ;
- (b) Twice the basic wage for a second or subsequent birth.

The grant is given only if the mother is under 25 or if the birth falls within a prescribed period of marriage or of the birth of the last child. From the fourth birth onwards there is no such proviso. Payment is in two equal instalments, one on the birth of the child and one six months later if the child is still alive and dependent on its parents—or parent—because the grant is also made to unmarried mothers.

Single wage allowance is paid to households dependent upon one source of income derived from employment—it is not therefore paid to employers

and independent workers. It is paid from the first dependent child (so long as it is under 10) as follows :

- (a) 20 per cent. for a single child under five ;
- (b) 10 per cent. for a single child under 10 ;
- (c) 40 per cent. for two dependent children ;
- (d) 50 per cent. for three or more dependent children.

Pre-natal allowances are paid during pregnancy, and are in fact an anticipation of the family and single wage allowances to which the family would become entitled on the birth of the child. Pre-natal allowances are only paid if pregnancy has been notified and the mother undergoes three pre-natal examinations :

- (a) The first during the first three months of pregnancy ;
- (b) The second in the sixth month ;
- (c) The third in the eighth month.

The allowance is paid in three instalments after each examination—one month's, two months', and finally the balance of seven months' allowance.

Fathers in employment are granted three days' holiday with pay (employers are reimbursed by the family allowance office) on the occasion of each birth.

Housing allowances were introduced by an Act of 1948 which at the same time introduced a measure of decontrol of rents. They are of two kinds :

- (a) The rent allowance, which can be claimed provided that :
  - (i) The claimant has at least two dependent children ;
  - (ii) He spends a certain percentage of his income on rent ;
  - (iii) His dwelling fulfils certain standards of hygiene ;
  - (iv) He is not liable for tax for underoccupied premises.

Since 1951 the allowance represents a percentage of the difference between the amount of income the applicant is required to pay on rent (see the second condition above) and his actual rent. The percentage varies according to the number of children and the scheme to which he belongs (highest for employees).

(b) Removal and improvement grants are paid to those who undertake expenditure to improve their dwellings or who move to better their living conditions.

The serious lack of houses of the required standard (to qualify for a rent allowance) is probably largely responsible for the comparatively few families who have been able to claim this allowance. There were only 33,778 beneficiaries in the general scheme in 1951, although there were over two million families receiving family allowances in this group.<sup>7</sup>

One illustration may help to show what all this would amount to in the case of an employed man with a wife not working and three children living in the *département* of the Seine :

<sup>7</sup>See article "Premier Bilan des Allocations de Logement" by Robert Collin *Population*, April-June, 1952.



## SOCIAL SECURITY IN FRANCE

### Family allowances—

(20% + 30% of 17,250 francs + increments) ..	10,275	frs. a month
Single wage allowance (50%) .. .. .	8,625	" " "
<i>Total</i> ..	18,900	" " "

The birth of a fourth child would bring :

Maternity grant (12,000 × 2) .. .. .	24,000	francs
Pre-natal allowance—		
(17,250 × 30%) × 9 .. .. .	46,575	"
<i>Total</i> ..	70,575	"

### *Medical Benefits*

These are provided under the social insurance and industrial injuries schemes and take the form of refunds of medical expenses. While only the insured person is entitled to cash benefits, the whole family can claim medical benefits. Refunds can be claimed for :

- (a) General and specialist medical expenses ;
- (b) Hospital expenses ;
- (c) Dental expenses ;
- (d) Laboratory and pharmaceutical expenses ;
- (e) Cost of medical appliances ;
- (f) Travelling expenses.

The sick person, who has a free choice of doctor, chemist, hospital or clinic, must normally pay for the treatment and claim a refund from his Social Security Fund. The refund is usually limited to 80 per cent. of the approved cost, which is calculated from a scale for each type of treatment agreed between the Funds and the professional associations involved. Practitioners who charge higher fees than the approved scale can be asked to justify the difference on the grounds of their own repute or the affluent circumstances of the patient. Middle class patients very often find that they have to contribute more than 20 per cent. of what they are actually charged.

There is a full refund of the approved cost in the case of serious operations or of long term illness. In the case of industrial injury or occupational disease all treatment is free and paid for directly by the Social Security Fund without the insured having to advance the money as in the case of ordinary illness. For the insured woman or wife of the insured man all approved expenses of pregnancy and confinement are refunded in full, and bonuses are paid if the mother submits to pre- and post-natal examinations, if she attends a child welfare centre, and for breast feeding.

### ACCIDENT PREVENTION AND HEALTH AND WELFARE SERVICES

The social security organisations are not merely concerned with cash benefits and the refund of medical expenses, but are also making an important contribution to health and welfare services and to accident prevention, supplementing the work of Local Authorities, voluntary organisations and private enterprise. It is hard to give a clear picture as each Fund, subject

to certain controls, provides or aids the provision of whatever health and welfare services it thinks most likely to benefit its members. The nearest parallel in our own experience is the provision of additional benefits by the old Approved Societies, but the *action sanitaire et sociale* of the French Funds is on a much larger scale and is designed to play a much more important part in the country's social services.

The percentage of the insurance and family allowance contributions to be devoted to these activities is fixed by the Minister. In 1951 the amount and distribution of these contributions was as follows :

TABLE I  
*Percentage of Contributions for Health and Welfare Activities*  
1951—General Scheme Only

Per-centage	Representing : (Millions of francs)	Scheme	Receiving Fund National Reg. Prim.		
0.85	2,560	Social Insurance	1,803	757	
3.0	1,305	Industrial Injuries	435	435	435
3.75	9,301	Family Allowances : (a) employed persons	689		8,612
2.1	349	(b) employers and independent workers	18		331

Source : Compiled from figures given on pp. 13, 16, 19, 20, 22 of the *Rapport sur l'application de la législation de sécurité sociale. Ministère du Travail et de la Sécurité Sociale*. Paris, 1952. (Subsequently referred to as the *Rapport*.) Since 1949 it has not been possible to make any contribution to the National Security Institution from social insurance funds.

In their provision of services the Funds must work within the general health and welfare policy laid down by the Minister of Health and Population, and, in the case of the industrial injuries scheme, by the Minister of Labour.

#### *The Prevention of Industrial Injuries and Occupational Disease*

While the action of the Funds does not in any way reduce the force of government regulations or the activities of the Labour Inspectors and employers, it is an additional and powerful means of accident prevention and of associating employers and workpeople with the campaign against industrial injuries.

The Regional Fund fixes the rate of contribution to be paid by each firm for its industrial risks. Both the National Social Security Institution and the Regional Funds try to identify the sectors of industry in which an effort to prevent accidents is specially called for, undertake technical research and spread the information obtained. They can require industries or particular

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firms to adopt preventive measures ; they have an expert staff of consulting engineers and of safety officers and finally some very effective financial inducements. Besides being able to modify contributions to correspond with risks in each firm they can impose supplementary contributions or allow rebates to meet either serious shortcomings or special achievements. Moreover, they can through subsidies or loans give help to firms to adopt better safety devices. All these efforts are guided and co-ordinated at regional and national level by technical committees set up in each industry, on which employers and workpeople are equally represented.

In theory at least the French industrial injuries scheme is making the maximum use of financial sanctions and incentives to prevent accidents. What would seem to be less satisfactory is the present division of labour between the Labour Inspectorate and the social security Funds. The Labour Inspectors have the right and duty, as have our own factory inspectors, to investigate every accident immediately after it has occurred. The technical knowledge thus gained should be at the disposal of those primarily concerned with accident prevention, but the Labour Inspectorate have to spread their staff too thinly (owing to the tight budgetary control of the French Civil Service) to do the kind of advisory and follow up work done by our factory inspectors. The Social Security Funds are not so limited in their employment of good technical staff, who are free to do intensive work, but there is a tendency to concentrate their efforts on the larger industrial concerns, and to miss many opportunities of accident prevention because they are not in a position to follow up every accident.

### *Health and Welfare Services*

By agreement the Social Insurance Funds concentrate on health services, while the Family Allowance Funds support services which are primarily social and concerned with the welfare of the family. The machinery set up to ensure that this is done and to sketch out a national health and welfare policy for the social security organisations is the *Comité Technique D'Action Sanitaire et Sociale*, composed of representatives of the Ministries of Labour, Health and Population, and Education, of the social security organisations (including representatives of the special schemes), of the medical profession and of the Family Associations. These are largely Catholic bodies representing the families themselves ; they have regional and national as well as local organisations. The Committee is divided into three sections : health, welfare and medical supervision. It has defined the types of institution or service which the various Funds might consider establishing or supporting, has suggested the way in which they might distribute their efforts (see Table III), and laid down the conditions on which the support of the Funds should be given to outside agencies.

At regional level there are commissions similarly composed to the Technical Committee, with two sub-committees for health and welfare, which may co-opt other interested persons. The regional commissions play an important part in local planning and co-ordination, and are also responsible for the supervision of agreed schemes. Both the regional and primary Funds must get the agreement of the regional commissions for any new ventures ; in addition any health services require the approval of the Ministry of Health's

regional medical officer, and the construction or acquiring of new buildings or the granting of exceptional cash benefits the approval of the Ministry of Labour and Social Security.

Where a Fund wishes to finance an establishment or service provided by a voluntary organisation or Local Authority, it may do so by a grant or loan for building or equipment, or by paying for services rendered to its members—services such as the provision of convalescence or a home help, which are not among the statutory medical benefits for which the 80 per cent. or 100 per cent. refund can be claimed. The advantage of paying for services rendered is that only those who have contributed to the Fund benefit. On the other hand, a more direct contribution can be made to the extension or improvement of existing services by grants for capital expenditure, more particularly since these are only made on three conditions:<sup>8</sup>

(a) That the outside agency has not sufficient resources to carry through the extension or improvement itself.

(b) That where, as is usually the case, the Fund is only granting a proportion of the money needed, the remainder is available from other sources.

(c) That the Fund is given representation on the controlling body of the outside agency commensurate with the financial help it is giving. It is largely because the public assistance authority, which administers the hospitals in Paris, has a constitution which does not allow of any participation in its control by the Paris Regional Fund, that grants to hospitals made up to 1950 only amounted to 12.47 per cent. of the latter's total expenditure on health services, whereas in the remaining 15 regions grants to hospitals made in 1949—50 amounted to 26.2 per cent.

#### *Health Services*

In 1950 the Regional Social Security Funds spent 2,924 million francs on health services. Of this sum 524.4 million francs were spent on medical social services, mainly on the employment of medical social workers. Of the remaining 2,381 millions roughly half was spent on financing establishments run by the Regional Funds and half in supporting services provided by the local authorities or voluntary organisations. The Local Social Security Funds, on the other hand, out of a total expenditure on health services of 412 million francs, spent roughly three times as much on their own ventures as in support of outside agencies.<sup>9</sup> About 40 per cent. of this expenditure on health services was for tuberculosis services, another 25 per cent. for general hospitals, and 15 per cent. for maternity and child welfare. The rest went on rehabilitation centres and in special provision of various kinds.<sup>10</sup>

#### *Welfare Services*

The Family Allowance Funds have a long tradition of providing their members with services as well as money allowances. Before they were

<sup>8</sup>*Informations Sociales*, 1951, Collection U.N.C.A.F., "L'Action Sociale des Caisses d'Allocations Familiales," p. 29.

<sup>9</sup>*Révue de la Sécurité Sociale*, January, 1951, pp. 14, 28, 29.

<sup>10</sup>*Rapport*. Figures taken from tables on pp. 40 and 46.

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generalised and reorganised in 1946, and even before it became obligatory for all employers to join schemes in 1932, many of the larger Funds established by the bigger industries were providing a variety of health and welfare services. In 1945, the last year of operation of the old Compensation Funds, the monies devoted to additional benefits amounted to 8 per cent. of what was being

TABLE II  
*Receipts and Expenditure (in millions of francs)*

	1947	1948	1949	1950	1951
Receipts ..	3,165	5,700	6,218	7,153	8,612
Expenditure ..	1,600	4,600	5,617	7,071	7,867

Source : *Informations Sociales*, 1951, p. 35.

TABLE III  
*Distribution of Expenditure on Welfare Services*

Type of Service	1947 %	1950 %	Norms suggested %
Employment of social workers	11	10.3	14.5 to 15
Domestic teaching .. ..	1.5	4.1	4 to 7
Home helps .. ..	3.2	6.1	6 to 10
Communal services .. ..	—	0.1	—
Housing grants .. ..	—	18.5	9 to 20
Holidays .. ..	50.1	25.9	20 to 25
Foster homes and Homes ..	—	9.2	10 to 13
Training of personnel .. ..	—	0.6	0.5
Exceptional benefits .. ..	12.5	12.5	12 to 15
Special grants .. ..	1.2	2.9	
Various .. ..	20.5	9.8	
	100.0	100.0	

Source : *Informations Sociales*, 1951, p. 37.

spent on statutory benefits. It is now only 3.5 per cent., but at that time the Funds were giving much help to the families of prisoners and deported persons ; moreover, some of the additional benefits granted then have since become statutory. Table II shows the receipts and expenditure on their welfare services by the Family Allowance Funds during the past five years,

and Table III the distribution of that expenditure in various forms of social service in 1947 and 1950 and the norms suggested by the Technical Committee in circulars 204SS of 1st July, 1948, and 56SS of 4th March, 1949.

A description of what is being done under these various headings by the Family Allowance Fund of the Paris region may help to bring this list to life. It employs 400 social workers. The majority are family social workers in charge of districts under the co-ordination scheme (described later), the rest are specialised and more particularly concerned with the Fund's own services, suggesting how they may be adapted and extended to increase their usefulness to the families they serve. In 1951 over 10,000 students were following domestic courses in 338 different centres.

The Fund's Home Help service was founded in 1948 and now employs 288 home helps. They give temporary help in certain well defined cases: in normal confinements where there are already two children, in abnormal confinements, and where the mother has been seriously ill and is quite unable to care for her family. Each case is investigated to see for how long the help is needed and what the family should contribute, as the service is never quite free. The home helps are between 20 and 55, have a year's training and must get a state diploma. The training given by the Fund is free on condition that the trainee guarantees to work for the Fund for one year afterwards. About 3,000 families were helped in 1951. Recently three sewing centres have been opened, where home helps who need a rest can work under expert guidance, making and repairing clothes for some of the overburdened mothers. This service also employs 30 charwomen who go to families to do heavy work one day a week, when circumstances do not justify a home help, who in any case is not expected to do any really heavy work. Payments are also made towards the cost of home helps provided by voluntary societies.

In Paris there are a number of Social Centres in which a vocational advice service, play centres and classes in household management are held, and washing and sewing machines are available for families in the neighbourhood. Housing grants are usually made to municipal housing projects or housing associations and co-operatives, on condition that priority is given to members of the Fund. The Paris Fund runs its own holiday homes and camps as well as placing children in homes run by other organisations and in foster homes or nurseries as the case requires. As shown the Funds have a particular interest in training home helps and bursaries are also given to students in the Schools of Social Work. The difference between the exceptional cash allowances and the special grants is that the first usually take the form of a relaxation of the qualifications for obtaining one of the statutory benefits (e.g., extending a children's allowance to cover a student or apprentice), while the special grants are normally single payments to meet some emergency. An amazing variety of other services are run by the different Funds for the benefit of their member families, everything from campaigns against alcoholism to nappy washing services!

### THE MANAGEMENT OF THE FUNDS

One of the most distinctive features of the social security schemes in France is their administration by semi-public bodies, the Funds. These



have already been described as private institutions charged with the administration of important public services and possessed of financial autonomy, but subject to ministerial control and supervision.

In most countries social security schemes are administered by the national Government or Local Authorities, and indeed the more they are extended to cover the whole population the less reason there is for having specially constituted bodies to administer them. In France, however, although practically everybody is covered for family allowances, some 40 per cent. of the population are not yet covered for social insurance; moreover, strong sectional interests have led to the retention of numerous special schemes outside the general one organised on a geographical basis. Pierre Laroque finds another explanation for the Funds in the Frenchman's innate distrust of "the government," which leads him to feel that his interests are best guarded and served by an independent organisation on which he, as an insured person, is given a closer and more specific representation than on national or local government bodies. Yet another good reason for their control by an organisation of contributors and beneficiaries is that there is no state grant to the general funds of either scheme and the State is not likely to seek more direct control at the price of a contribution from exchequer funds.

The Funds have been compared to our former Approved Societies, but since the introduction of a general scheme in 1946, they have developed into something more like a Regional Hospital Board, whose members instead of being appointed by the Minister are for the most part elected by those who contribute to, or benefit from, its services.

The composition of the board of management of a Local Social Security Fund is: 18 employees; six employers; two staff representatives; two doctors; two persons distinguished for their services; and one representative of the Family Associations. That of a Family Allowance Fund is: 12 employees; six employers; six independent workers; two staff representatives; two persons distinguished for their services; and one representative of the Family Associations.

The Regional Funds have management boards elected by the boards of the local Funds, and the National Social Security Institution has a board whose members are for the most part elected by the boards of the Regional and Family Allowance Funds.

The employee, employer and independent worker members are elected (by proportional representation) by those in each class who contribute to the Fund. Where the "employer" is a firm employing more than 100 persons it may have more than one vote (up to a limit of 20 votes) and each vote is exercised in the name of the firm by voters who may in fact be salaried workers. A salaried worker employing a domestic will have a vote as an employer and as an employee. In the case of the Family Allowance Fund only those receiving family allowances (*allocataires*) are entitled to vote.

In this country it would not usually be necessary to hold special elections to achieve similarly composed boards; the workers' and employers' representatives would be put forward by the appropriate trade unions and employers' organisations. In France the unions and employers' organisations do in fact provide most of the candidates for these elections, but there are

many employees, independent workers and employers who are not in any organisations. Moreover, the trade union movement itself is divided into three federations of different political complexion: the C.G.T. (associated with the Communist Party), the C.G.T.-F.O. (associated with the Socialist Party), and the C.F.T.C. (associated with the Christian Democratic M.R.P.). No federation admits the accuracy of the membership figures of its rivals, and direct elections provide a means of deciding in what proportions the unions of the three federations are to be represented on each board. For the same reason direct elections are used to decide who shall represent the workers on the statutory works councils.

The elections are run on political lines, the electors on the whole preferring, especially in working class areas, to express their allegiance to a political party rather than to any particular line of social security policy. From an analysis of the differences between the general and what he calls the "social" elections, M. Francois Goguel<sup>11</sup> concludes that more indifference is shown by employees to the social elections than is shown by the population at large to the general elections; that the strength of the Communist Party among these employees is less, and that the strength of the anti-Communist Parties is greater than one would expect, in view of the strength of the Communist Party among the electorate generally. The following table is compiled from two tables at pages 247-8 in M. Goguel's analysis and gives

TABLE IV

	General Elections		Social Elections	
	1946	1951	1947	1950
Electorate	25,083,000 (100%)	24,522,000 (100%)	7,749,858 (100%)	7,930,527 (100%)
Abstentions	21.9	19.8	28.3	30.4
Communist Party	21.6	20.1	(CGT) 42.4	30.1
Socialist Party	13.7	11.3	(FO)*	10.5
M.R.P. ..	19.9	10.0	(CFTC) 18.8	14.8
Balance ..	22.9	38.8	10.5	14.2

\*The F.O. was not formed until after the elections of 1947; at these elections the C.G.T. vote included both Communists and Socialists.

<sup>11</sup>François Goguel, "Géographie des élections sociales de 1950-51," in the report of a Colloquium held on the *Élections Sociales et Elections Politiques*. *Revue Française de Science Politique*, Vol. III, No. 2.

some idea of the relative strength of the different parties in the general and social elections (for employees' representatives) held between 1946-1951.

While political issues largely determine the elections to the Boards, once elected the contact between electors and elected is slight, while the dependence of those appointed on the organisations which sponsored them is increased by the fact that membership of the board is unpaid. It is an absorbing job, demanding a certain amount of technical and intellectual ability, and may involve further responsibilities on the Regional Board or, as a representative of the Fund, on the committees of other organisations. The job is scarcely compatible with most ways of earning a living and as one would expect is largely left to the paid officials of the unions or other interests concerned.

These organised groups are naturally anxious to share in the control of the very considerable budgets administered by the Funds, and those whom they get elected to the Board are primarily expected to defend their interests. Membership of the Board inevitably brings some modification in the attitudes of these representatives as they begin to appreciate the practical problems involved in running a large going concern, particularly one which operates under the close technical and financial control of the State. Moreover, the very nature of the service provided by the Funds—its size and complexity—involves a large paid staff; a large Fund will have an administrative director, and the Board will confine its attention to broad issues of policy.

The Boards have in fact a very limited initiative with regard to the contributions and benefits (which have of course the greatest political value), rather more in the organisation of the service and in the choice of personnel, and quite a lot in relation to the additional benefits provided by the Funds. As has been shown, their administration of these health and welfare activities is limited only by the amount of money allocated to them, and by the necessity of obtaining the approval of the Technical Committee and of particular ministries in the instances mentioned earlier (page 16). There is room for plenty of good experimental work, or, alternatively, of popular vote-catching here, and the value of their work may be largely judged by the extent to which they are willing to co-operate with the voluntary organisations and Local Authorities, who are also concerned and have their responsibilities in this field.

Since they are private institutions the Funds have been able to form unions, and the F.N.O.S.S. (*Fédération Nationale des Organisations de Sécurité Sociale*) and the U.N.C.A.F. (*Union Nationale des Caisses d'Allocations Familiales*) act on the national level as spokesmen of the Funds *vis à vis* the Government and government departments. They have no official place in the organisation of the social security scheme, but their collaboration and initiative is valuable both to the Funds which constitute them and to the Government.

### FINANCIAL PROBLEMS

Full use has been made of the contributory method to finance not only the social insurance and industrial injuries scheme, but also family allowances. On the other hand, to qualify for industrial injuries and family allowance benefits it is enough to be a contributor; no account is taken of the number

of contributions made, and even in the social insurance scheme contribution qualifications are not onerous except for the old age pension, which retains its old actuarial basis. For the rest all vestiges of the usual insurance techniques, with the building up of insurance capital in a reserve fund, have been abandoned, and all funds are now administered on the distributive method—current benefits are paid out of current contributions.

The linking of contributions and benefits to wages, and the arrangements made for the revision of long term benefits (such as old age and disablement pensions), if there is a general rise in wages, offers some protection against depreciation in the value of the currency. But it is only in the social insurance and industrial injuries schemes that benefits are related to actual wages. In the case of family allowances they are related to a notional wage, the "basic" wage for the *département*, which no longer represents even a minimum wage. The assistance pension for retired workers is also a set sum which does not vary automatically with wages, though it has been raised several times since it was first introduced in 1941.

Perhaps the most significant feature of the French system is that there is no state contribution to either the insurance or family allowance funds, with the exception of the small contribution paid on behalf of the non-active members of the family allowance scheme (see page 7). Thus the whole cost of the scheme falls in one way or another on the wages bill. The employers' contribution is much larger than the employees' but is regarded as part of the cost of labour, which will be in part passed on to the consumer and in part, one suspects, be offset by paying lower wages. Certainly in the post-war years wages have risen less than productivity. Those who are benefiting from the redistribution of wages brought about by the social security measures may be better off, thanks to the substantial "social wage" they are receiving, but the generosity of these benefits is more apparent than real, since in the last analysis it all comes out of the total wages bill. Moreover it is not only the cash benefits which are being financed in this way, but also a substantial part of the country's health and welfare services. The contribution of £40 million made by our insurance fund to the National Health Service is insignificant in comparison. One item only—the refunds of medical expenses of those entitled to sickness benefit—amounted to about 92,000 million francs in 1951.

It is not surprising to find that all the social security schemes, and the social insurance fund in particular, are having the greatest difficulty in balancing their budgets. There have been adverse balances in all branches of insurance since 1947, except for the old age pension fund, which kept its balance favourable until 1950, when it too showed a deficit (an ominous sign for the future). The total deficit of the general scheme was 39,000 million francs in 1951. In 1951 the industrial injuries scheme and the employers' and independent workers' section of the family allowance scheme were just about in balance, while there was a slight excess of receipts over expenditure (on account of the rise in the rate of contribution) in the employees' section of the family allowance scheme. The total deficit on all three schemes was 35,000 million francs.<sup>12</sup>

<sup>12</sup>*Rapport*, pp. 2-3.

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Expenditure on both the statutory benefits and additional services has continued to rise; contributions, and the ceiling on wages up to which contributions are paid, have risen too, but not in the same proportion, viz.:

Ratio of receipts in 1950 to receipts in 1947 .. .. 2.16 : 1

Ratio of expenditure in 1950 to expenditure in 1947 .. .. 3.02 : 1

Many reasons have been given for this deficit,<sup>13</sup> and even the less important ones, such as the alleged administrative extravagances of many of the newly-formed Funds, and the too great latitude allowed to certain categories of persons to contribute or not as they wish (which they only do if they are likely to get something out of it)<sup>14</sup> have probably contributed something. But by and large the two main reasons for the continuing failure of the social insurance scheme to achieve financial equilibrium are the rise in medical costs and the difficulty in collecting the contributions from employers.

## *The Rise in Cost of Medical Services*

The disproportionate rise in medical costs is likely to continue as new and more expensive methods of treatment are discovered and demanded by the increasing proportion of the population entitled to medical benefits. Table V shows that there has been a considerable increase in the proportion of non-contributors (children and others dependent on the insured) who are entitled to medical benefits.

TABLE V

*Amount Spent on Medical Benefits for Insured Persons and Their Dependants*

	Percentage of wages liable to contributions		Percentage increase in cost
	1947	1951	
The insured .. ..	1.97	2.55	29
Husbands/wives ..	0.47	0.77	64
Children .. ..	0.52	1.06	104
Dependent aged and infirm .. ..	0.15	0.54	260
	<u>3.11</u>	<u>4.92</u>	<u>58</u>

Source: *Rapport*, p. 3.

<sup>13</sup>See report of the General Assembly of Social Security Institutions (FNOSS), held 13th-14th December, 1951.

<sup>14</sup>See section on Voluntary Contributors (p. 9).

TABLE VI  
*Analysis of Cost of Sickness Benefit*  
 General Scheme only (in millions of francs)

	1947	1951 (uncorrected figures)	Percentage increase of 1951 over 1947
Medical .. .. .	4,554	15,448	239
Surgical .. .. .	1,993	7,089	256
Pharmaceutical .. ..	4,846	26,071	438
Dental .. .. .	3,140	8,673	176
Hospitalisation (and treat- ment in Public Assistance dispensaries) .. ..	6,611	34,486	422
Cash benefits .. ..	11,253	22,928	104
Others .. .. .	76	227	199
<b>TOTAL ..</b>	<b>32,473</b>	<b>114,922</b>	<b>253</b>

Source : *Rapport*, p. 2.

This analysis of the cost of sickness benefits shows how the most expensive items and those in which there has been the most disproportionate rise in costs are hospitalisation and pharmaceutical benefits. We, of course, have had much the same experience with our National Health Service, but the additional cost has been met out of Exchequer funds and not out of insurance contributions. Moreover, although they try to protect themselves by an elaborate and expensive system<sup>15</sup> of medical supervision by their own doctors, the Funds have had practically no means of controlling these costs which are largely set by private practitioners and by the Local Authorities and voluntary organisations running the hospitals and dispensaries. The Funds are constantly complaining of this, as also of the government's failure to contribute more to the extension and improvement of the country's hospital and T.B. services, to which they themselves have contributed so largely.

#### *Difficulties Experienced in Collecting Employers' Contributions*

This is the second major problem of the social security organisations; there is a great deal of defaulting and large arrears especially among the

<sup>15</sup>In 1951 when 2,560 million francs were spent by the social insurance Funds on the health and welfare activities, 2,704 million francs were spent on medical supervision. *Rapport*, p. 14.



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smaller employers. The Funds complain that their powers of enforcement are inadequate. The charges on wages which employers have to meet are certainly high enough to constitute a powerful incentive to evasion. A typical account of the charges on his wages bill is given by an employer in the textile industry :

	%
Social Insurance .. ..	6
Allowances for retired workers ..	4
Family allowances .. ..	16.75
Industrial injuries .. ..	.57*
Scheduled tax on wages .. ..	5
Employers' Federation .. ..	1
Apprentices' tax .. ..	.40
Industrial medicine .. ..	.50
Holidays with pay .. ..	8.72
	<hr/> 42.94 <hr/>

\*A very low assessment, well below average.

In the financial review of the operation of the French social security system presented by the French Minister of Labour and Social Security to the President of the Republic on 22nd July, 1952, it is pointed out that despite the overall deficit of 35,000 million francs on 31st December, 1951, the total assets of the social security institutions were only diminished by 1,805 million francs during 1951.

TABLE VII  
*Assets of the Social Security Institutions (in millions of francs)*

	31st Dec., 1950	31st Dec., 1951
Liquid assets .. ..	74,356	93,503
Investments .. ..	48,703	27,721
	<hr/> 123,059 <hr/>	<hr/> 121,224 <hr/>

Source : *Rapport* on p. 23.

Social security funds had received no direct financial aid from the Treasury, but the government had brought some temporary relief to their budgets by measures introduced in the course of 1951. Employers paying up their arrears before 31st December, 1951, were granted a reduction of two-thirds of the fine imposed on late payments, and the Funds were allowed a quicker procedure for dealing with late payers. As mentioned earlier the ceiling on wages liable to contribution was raised in the course of 1951 (and

again in 1952), and also the percentage of the family allowance contribution—from 16 to 16.75 per cent.

A further measure introduced on the 14th April, 1952, is designed to give the Funds more control over the length of hospital stays and medicines for which they are liable to pay refunds, and a joint machinery for recovering contributions.

Despite these measures the deficit on the social insurance fund persists and was momentarily brought into the political limelight at the end of 1952, when M. Pinay's government fell on the comparatively unimportant issue as to whether the surplus in the family allowance fund should be used to increase benefits or to pay off the deficit on the social insurance fund.<sup>16</sup> The government's attitude towards the financial difficulties of the social security organisations was summed up in M. Pinay's statement that while the government was not responsible for the deficit of the social insurance fund it could not be indifferent to it. Despite his fall any other government is likely to adopt much the same attitude. It holds no promise of any fundamental change in the financial basis of the French social security organisations which will continue to redistribute only that part of the national income devoted to wages and salaries. The Funds will probably be forced to make some cuts in their expenditure on medical services. The insured may suffer at first, but in the long run such a policy may force the state and Local Authorities to meet more of the cost of the health services to the ultimate advantage of the wage earners and lower income groups.

<sup>16</sup>The surplus in the family allowance fund was reported to be 18 milliard francs, The deficit in the social insurance fund 30 milliard.—*Le Monde*, 14th-15th December, 1952. A repetition of this issue is reported in *Le Monde*, 23rd October and 1st November, 1953.

## The Transport Act, 1953

*The following notes are not offered as an authoritative summary nor are they exhaustive, but care has been expended on endeavouring to secure as much accuracy as is consistent with a short general account.*

**T**HE main objects of the Transport Act, 1953, which received Royal Assent on the 6th May, 1953, are :

(1) *Road Haulage.* To secure the reversion to private enterprise of the greater part of the road haulage undertaking of the British Transport Commission acquired under the Transport Act, 1947 ; to abolish the 25-mile limit imposed by the Act of 1947 on the operation of goods vehicles by private hauliers, and to make the Commission's road haulage vehicles subject to the licensing system.

(2) *Railways.* To decentralise the organisation of the Commission's railways by the setting up of Area Authorities and to give the Commission greater freedom in fixing railway charges so as to improve their ability to compete with other forms of transport.

### THE TRANSPORT ACT, 1947

To facilitate an understanding of the Act of 1953 it is first necessary to refer briefly to some of the principal provisions of the Transport Act, 1947.

*The B.T.C.* By Part I of the 1947 Act the British Transport Commission were established as a public authority with the general duty "to provide, or secure or promote the provision of, an efficient, adequate, economical and properly integrated system of public inland transport and port facilities within Great Britain for passengers and goods."

The Commission were by the Act of 1947 to consist of a Chairman and not less than four and not more than eight members to be appointed by the Minister of Transport, of whom the Chairman and not less than four members must render whole-time service.

*The Executives.* Additional public authorities known as Executives were appointed to assist the Commission in performing such functions as were delegated to them by schemes made by the Commission and approved by the Minister. As respects matters so delegated the rights, powers and liabilities of the Commission became rights, powers and liabilities of the Executives. At the date of the passing of the 1953 Act there were five Executives, namely : the Railway Executive, the London Transport Executive, the Road Haulage Executive, the Docks and Inland Waterways Executive and the Hotels Executive. All these Executives, except London Transport, were abolished by ministerial order as from the 1st October, 1953.

*Minister of Transport's Powers.* The Minister of Transport may give the Commission directions as to the exercise and performance of their functions in relation to matters which appear to the Minister to affect the national interest and the Commission are bound to furnish the Minister with such returns, accounts and other information as to their property and activities as he may from time to time require. An annual report and the annual accounts of the Commission must be submitted to the Minister, who is to

lay a copy before each House of Parliament. These provisions are unaffected by the Act of 1953.

*Railways and Canals Vested in B.T.C.* By Part II of the 1947 Act there vested in the Commission the undertakings of the four main line railway companies (namely, the L.M.S., L.N.E., G.W. and Southern), the London Passenger Transport Board and certain canal companies and minor railway companies. With the undertakings so vested the Commission acquired various ancillary activities of those undertakings, including the railway-owned ports (e.g., Southampton and Hull), the railway-operated steamer services, and the financial interests which the four main line railway companies had in certain road passenger undertakings outside London.

*Acquisition of Road Haulage Undertakings.* By Part III of the 1947 Act the Commission were placed under a duty to acquire road haulage undertakings whose operations consisted predominantly of long distance carriage of goods for hire or reward (i.e., haulage for distances of 40 miles or upwards in such circumstances that the vehicles are more than 25 miles from their operating centre). The Commission acquired no control over the activities of vehicles used exclusively otherwise than for hire or reward under a "C" licence.

*The 25-Mile Limit.* The Commission's road haulage vehicles did not require to be licensed under the Road and Rail Traffic Act, 1933. As from the 1st day of February, 1950, it was laid down that subject to certain exceptions goods could not be carried for hire or reward in a vehicle, if the vehicle is at any time more than 25 miles from its operating centre, without a permit from the Commission.

*Road Passenger Transport and Trade Harbour Schemes.* By Part IV of the 1947 Act the Commission were empowered to prepare and submit to the Minister for approval schemes for the co-ordination of passenger transport services (whether by road or by rail) for areas specified in the schemes, and for this purpose to constitute bodies to whom would be transferred road passenger transport undertakings operated within the specified areas. The Commission were also given power to prepare and submit to the Minister for approval schemes for securing the efficient and economic development, maintenance and management of any trade harbour or group of trade harbours and for setting up for this purpose bodies for the providing of port facilities and to whom harbour undertakings could be transferred. When the 1953 Act was passed no schemes under Part IV of the Act of 1947 had been approved by the Minister, although certain draft schemes had been submitted by the Commission.

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*Constitution and Powers of the Commission.* The maximum membership of the Commission is to be increased from nine members to 15, two of whom must be appointed after consultation with the Secretary of State for Scotland. The duties of the Commission are substantially changed: they no longer have the duty to provide an efficient, adequate, economical and properly integrated system of public inland transport and port facilities within Great Britain for passengers and goods. Instead their duty is now to provide

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(a) railway services, (b) a co-ordinated passenger transport system for London, (c) such other transport services and canal facilities as the Commission consider expedient, and (d) port facilities, but only at ports at which the Commission were providing such facilities on the 1st July, 1952 (s.25). The powers in the 1947 Act for the Commission to make schemes as to road passenger transport services and trade harbours are repealed (ss.18 and 19). The Commission's borrowing powers in s.88 of the 1947 Act are varied (s.26 (1)).

*The Duty to Dispose of Commission's Road Haulage Undertaking.* The duty is imposed upon the Commission to dispose of property held for the purposes of the road haulage undertaking carried on by the Road Haulage Executive at the passing of the Act. Pending disposal the Commission are to carry on that part of the undertaking so as to enable it to be disposed of without delay, on the best terms available and without avoidable disturbance of the transport system of the country (s.1).

*The Road Haulage Disposal Board.* The disposal is to be effected under the supervision of the Road Haulage Disposal Board, a body of six members appointed by the Minister of Transport and accountable to the Minister.

*Retainable Property.* Property held partly for other purposes of the Commission's undertaking may be retained if the Minister so directs, as also may property required by the Commission for such other purposes, if the Minister consents (s.1 (5) and s.6 (3)). The Commission may also retain by making over vehicles and other property to an existing or newly-formed company under their control subject to:

(1) the total unladen weight of vehicles so made over not exceeding five-fourths of the total unladen weight of vehicles of companies wholly owned by the railway companies at the end of 1947, and

(2) the total unladen weight of vehicles in any one of three categories (viz. (a) abnormal indivisible load carriers, including trailers, (b) special purpose vehicles, excluding trailers, and (c) other vehicles excluding trailers) not exceeding thirteen-tenths of the total unladen weight of vehicles in the same category owned by such companies at the end of 1947.

Trailers, unless used as an abnormal indivisible load carrier, are retainable without limit in this way.

Information as to the principal activities of these companies and of the financial results of their activities must be included in the Commission's annual report (s.4).

*Methods of Disposal.* The property must be disposed of either as part of a transport unit or through the medium of companies, or if the Minister consents or so directs, as chattels (ss.3, 5 and 6).

*Transport Units.* A transport unit may comprise a motor vehicle or vehicles, trailers, "additional" motor vehicles or trailers, other property and rights and obligations. In order to give small hauliers the opportunity of entering or re-entering the industry, the number of vehicles comprised in a unit must not exceed 50 nor their unladen weight exceed 200 tons, without the approval of the Minister. The Commission must invite tenders for the purchase of a transport unit by public notice. The Commission must obtain the approval of the Disposal Board before issuing an invitation to

tender or accepting or refusing a tender. The Disposal Board must be satisfied that the price offered is reasonable (s.3). In disposing of transport units, the Commission must avoid the creation of monopolies or partial monopolies.

*Company Method of Disposal.* With the approval of the Disposal Board property may be made over to a company, in which the Commission hold all the shares, at a price equivalent to the net written down value in the Commission's books of the property (less depreciation) ascertained in accordance with the Commission's accountancy practice prevailing on the 1st January, 1952, appropriate adjustment being made to have regard to the plus or minus value of any rights or liabilities transferred. This method must only be used where it will not prejudice the Commission's obligation to give small hauliers the opportunity of entering or re-entering the industry and to avoid monopolies. The whole of the shares of each such company will be offered for sale, tenders being invited with the approval of the Disposal Board, or alternatively the whole of the shares may be sold by private treaty if the Board approve. The Board's approval to the acceptance or rejection of a tender must be obtained and the Board must be satisfied that the price is reasonable (s.5).

*Special "A" Licences for Purchasers.* Purchasers of transport units or shares in companies, where the company method of disposal is adopted, will be entitled free of charge to a special "A" licence in respect of the motor vehicles (other than "additional vehicles") and trailers purchased, valid for five years and free of the 25-mile restriction. (Schedule I, Part I.)

*Commission's Licences.* The Commission are made subject to the licensing provisions of the Road and Rail Traffic Act, 1933. They have a period of six months from the passing of the Act in which to apply for licences in respect of the vehicles owned by them at the passing of the Act. They are entitled to special "A" licences free of the 25-mile limit and valid for five years for (a) the vehicles and trailers operated by the Road Haulage Executive at the passing of the Act subject to a maximum unladen weight, so far as motor vehicles are concerned of eleven-twelfths of the unladen weight of the motor vehicles operated by the Road Haulage Executive on 31st December, 1952, and (b) for all vehicles and trailers used wholly or partly for hire or reward and operated by Executives (other than the Road Haulage Executive) at the passing of the Act. Special "A" licences will also be issued in respect of vehicles, which the Commission retain by making them over to companies under s.4.

The Commission may continue to carry goods by road and, subject to obtaining the necessary licences, develop their road haulage services in competition with other operators. They are expressly empowered to form companies under the Companies Act, 1948, to carry on the business of carriers of goods by road in Great Britain (ss.25 (1) and 26 (4)).

*The 25-Mile Limit.* After the end of 1954 the provisions of the Act of 1947 restricting the use of vehicles for the carriage of goods more than 25 miles from a vehicle's operating centre without a permit from the Commission will cease to apply (s.8). Until then the restriction will continue to apply except to:



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- (1) vehicles owned by the Commission or their subsidiary companies ;
- (2) vehicles purchased as part of a transport unit or under the company method of disposal and in respect of which special "A" licences free from the restriction will be granted ;
- (3) vehicles covered by permits granted by the Commission under the 1947 Act. These permits, if original permits, can no longer be revoked by the Commission ;
- (4) vehicles covered by notices of acquisition given by the Commission under the 1947 Act and outstanding when the 1953 Act was passed ; and
- (5) vehicles which were not subject to the restriction under the 1947 Act (s.8).

*Licensing System.* The 1953 Act amends the licensing provisions of the Road and Rail Traffic Act, 1933, so as to give Licensing Authorities greater latitude in the granting of new licences (s.9).

The onus of proof of grounds for objection will in future lie with the objector. In exercising their discretion to grant or refuse licences the Authorities must have regard primarily to the interests of persons requiring facilities, and secondarily to those of persons providing such facilities. They may also have regard to the charges made for existing facilities compared with the charges the applicant proposes to make. Regard is to be had to the extent to which vehicles will be used for providing container services in conjunction with railway and canal services. Licences may in future be revoked or suspended when any statement made in support of an application is false, whether made knowingly or not, and any statement of intention or expectation is not fulfilled (s.9).

### *The Transport Levy and Transport Fund*

From 1st January, 1954, a levy additional to the duties payable under the Vehicles (Excise) Act, 1949, will be charged on all goods vehicles, exceeding  $1\frac{1}{2}$  tons unladen weight, including those of the Commission. The proceeds will be paid into a Transport Fund under the management of the Minister of Transport. The rate of the levy for the years 1954 and 1955 will be 13s. 6d. per quarter ton (or part) of unladen weight of the vehicle and thereafter the rate will be fixed at three-year intervals by Orders made by the Minister of Transport and approved by affirmative resolution of each House of Parliament. The levy will be higher for vehicles used for drawing trailers and is differently assessed in the case of tractors (ss.12 and 13 and Schedule II).

The Transport Fund will be used to defray the expenses of the Disposal Board and to make good to the Commission their "road haulage capital loss" attributable to the disposal. The Commission's "road haulage capital loss" is defined in Schedule III as the difference between the amount realised from the disposal and the book values of the assets sold plus (a) the costs of disposal, (b) certain liabilities and losses incurred by the Commission as a result of the sales, (c) the book value of any goodwill ascribable to the property sold, and (d) £2 million for certain capital expenditure in fact charged to revenue. The Commission will also receive from the Fund £1 million for loss caused by disturbance during the disposal and in addition any compensation payable under the Act to officers or servants who suffer loss or

diminution of emoluments or worsening of conditions of service as a result of the disposal (ss.13 and 14 and Schedule III).

*Payments from the Transport Fund.* Payments from the Transport Fund will be made to the Commission by annual instalments commencing on the 1st January, 1955, with interest, as if the total amount payable to the Commission were due at the end of June, 1954. The amount of the instalments will be ascertained by reference to estimates which the Minister must make from time to time (the first not later than the 30th September, 1954) of the total amount which will fall to be paid out of the Fund and of the period over which the instalments will require to be made (S. 14).

The levy will cease to be payable by order of the Minister when he is satisfied that it will produce sufficient to meet all the payments falling to be made from the Fund, and the Fund may at the same time or subsequently be wound up by order of the Minister, any balance then in the Fund being paid to the Commission. A draft of any order bringing the levy to an end or winding up the Fund must be laid before and approved by each House of Parliament (s.15).

#### *Road Passenger Transport Services*

The provisions of the 1947 Act with regard to the making of schemes as to passenger road transport services are repealed and the provisions of the Road Traffic Act, 1930, with regard to road service licences made to apply to passenger road transport services provided by the Commission, except that the exemptions enjoyed by the London Passenger Transport Board under their Act of 1933 in respect of their services apply to the Commission. The Commission are given three months within which to apply for licences for services operated by them at the passing of the Act (s.18 (1), (2) and (4)).

The Commission may not acquire an undertaking the activities of which consist wholly or mainly in the provision of passenger road transport services nor, except with the consent of the Minister, acquire a controlling interest in any such undertaking. Moreover, the Minister may, with the consent of the Treasury, give directions to the Commission which will ensure that they divest themselves of any controlling interest they may have in any such undertaking (s.18 (5) and (6)).

Passenger road transport services provided by any body controlled by the Commission are brought within the purview of the Transport Users Consultative Committees set up by section 6 of the 1947 Act (s.18 (8)).

#### *Re-organisation of the Railways*

The Act contains only the barest outline of the form of the re-organisation, which is to be effected by a scheme to be submitted by the Commission to the Minister within 12 months of the passing of the Act or such longer period as the Minister may allow (s.16 (1)).

There are certain matters for which the scheme must provide, viz. :

- (1) the abolition of the Railway Executive (if not already abolished) ;
- (2) the setting up of area authorities ;
- (3) that the area authorities compile and publish statements of their operating costs and such other statistics as may be specified (s.16 (2)) ; and

(4) the setting up of one authority for the whole of Scotland with or without additional area authorities (s.16 (9)).

The above provisions are mandatory, but the scheme may also provide for the setting up of other authorities : (1) to exercise functions of the Commission which are unsuitable for delegation to an area authority, or (2) for co-ordinating the exercise of the functions of all or any of the area or other authorities set up by the scheme or for making provision for matters of common interest to all or any of those authorities (s.16 (3)).

The authorities may be either individuals or bodies of persons, whether corporate or unincorporated (s.16 (5)).

Area authorities may have delegated to them functions which are not concerned with the operation of railways, e.g. steamship services. Certain functions may be reserved to the Commission and in particular there must be reserved to the Commission general financial control and general control of the charges to be made for the services and facilities provided (s.16 (6) and (7)).

The Minister, when the scheme has been submitted to him, must consult such bodies representative of classes of persons likely to be specially affected by the scheme as he thinks fit and the National Coal Board and may by order approve the scheme with or without modifications. A draft of the order must be laid before Parliament and be approved by affirmative resolution of each House of Parliament. A scheme may be amended or revoked by a subsequent scheme prepared and submitted to the Minister for approval in the same way. The Minister must consult the Secretary of State for Scotland in regard to any scheme affecting Scotland (s.17).

### *Charges*

*The Old Law.* By reason of the monopoly which the railways acquired of the country's inland transport system during the last century Parliament imposed upon them an obligation to afford equal treatment to all persons in like circumstances and forbade them to give any undue preference to any particular person or any particular description of traffic.

The Railways Act, 1921, provided for the fixing of standard charges and for no variation to be made either upwards or downwards from the standard except by means of exceptional rates, over the granting of which the Railway Rates Tribunal (now the Transport Tribunal) exercised a large measure of control.

Following upon the growth of road competition the Road and Rail Traffic Act, 1933, empowered the railways to make agreed charges to which the statutory provisions with regard to equality of treatment and undue preference did not apply, but such agreed charges required the approval of the Tribunal, who could not approve them if their object could adequately be secured by the granting of exceptional rates : they had also to be published.

The Transport Act, 1947, made provision for the preparation of Charges Schemes by which the rates structure of the 1921 Act could have been altered, but, except as respects passenger fares, no schemes have yet been made.

The 1953 Act repealed the statutory provisions as to undue preference and equality of treatment and the limitations and restrictions upon the Commission's power to make agreed charges, the Commission being now placed

in a position as regards the latter to negotiate them freely without the obligation to obtain the approval of the Tribunal or to publish them.

*Charges Schemes.* By the Act of 1953 charges schemes shall apply only to (a) railway carriage charges and passenger fares, (b) canal charges, (c) charges for port facilities, (d) London bus fares, and (e) other charges so connected with the foregoing charges that they ought properly to be dealt with in a charges scheme. Road haulage charges are not to be dealt with in a scheme, except those for the collection and delivery of railborne traffic, nor road passenger transport fares, except London bus fares (s.20 (1)).

A charges scheme may no longer provide for standard charges, but shall fix maximum charges, or if this is not reasonably practicable or is undesirable, authorise the Commission to make reasonable charges and provide for any question as to their reasonableness to be determined by the Transport Tribunal: charges schemes are required to secure that the charges to be made are otherwise left to the Commission's discretion and that the Commission are bound only to publish their maximum charges (s.20 (2)).

Pending the making of a charges scheme with regard to merchandise traffic, the existing standard and exceptional rates fixed under the Act of 1921 will remain in being, together with the control exercised by the Tribunal over exceptional rates (s.21 (1)).

*Protection for Traders and Other Transport Undertakers.* Protection is given to any person sending merchandise by railway in circumstances in which the merchandise cannot reasonably be carried by any other means of transport (in other words, in cases where the railways still enjoy a measure of monopoly) by enabling him to complain to the Transport Tribunal if he thinks that the charge imposed for the carriage of the merchandise by railway is unreasonable or unfair (s.22).

The existing right of bodies representative of coastwise shipping to complain to the Tribunal of railway rates which place them at an undue or unfair disadvantage is extended to harbour authorities who may complain of rates (other than standard or maximum charges) to or from Commission owned ports. The right of persons representative of the interests of canals to complain to the Tribunal of exceptional rates is extended so as to apply to canal carriers and to any railway rate other than a standard or maximum charge (s.21 (2)).

*Temporary Increase of Charges.* If the Commission consider it necessary to meet increased costs which unless met quickly by an increase in their charges would seriously affect their financial position, they may, without submitting a new or amending scheme to that Tribunal, make increases up to 10 per cent. in the maximum charges fixed by charges schemes. The Commission must within one month of the making of any such increase apply to the Transport Tribunal for the alteration of all or any of the charges schemes in force. Charges for the passenger transport services of the London Transport Executive may not be increased in this way by more than so much of the increase in the costs of the Commission as is properly apportionable to those services (s.23).

## Health Services Conference

### "Making the Most of Present Resources"

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THE second Health Services Conference organised by the Institute of Public Administration was held at Church House, Westminster, from 28th to 30th October, 1953. Under the title of "Making the Most of Present Resources," six papers dealing with particular subjects relating to the use of resources were presented.

The conference was presided over by Mr. H. Lesser, C.B.E., who, in welcoming the delegates, commented on the progress made in the health service since the Institute's previous conference. The popularity of the service was beyond question and in principle it had ceased to be a political issue. However, no general pattern of co-ordination had yet emerged, and there remained the need to bring about co-operation between the three branches of the service. A cause of anxiety in the service was its increasing cost. They could ensure that they were making the best use of the resources at their disposal by ensuring that the structure of the service was good and by raising the standard of day-to-day management.

#### *Finance and Deployment of Present Resources*

Mr. Leslie Farrer-Brown (Secretary of the Nuffield Foundation), in the first paper to be given, pointed out that it was doubtful whether it would ever be possible, however much their knowledge of health and health services might increase, to say what proportion of the national resources ought to be spent on health. Calculations could not be based solely on mathematical formulae, and at all levels they must have value judgments. At any time there must be a rationing of resources, and no country could meet all the potential medical needs of its citizens. Changes in the use of resources could only be made slowly, and the present allocation of resources between the hospitals, the general practitioner services and the local health services still reflected the provision which had grown up before the service was introduced. Money, however, was but the symbol and the main instrument for effecting decisions; the real resources of the National Health Service were men and women, equipment and knowledge. As to how well these resources were used, much depended on the imagination and cleverness and also the sense of responsibility of those engaged in the service at all levels. Knowledge of the service and skill in running it were increasing, and as a result of various studies and experiments such as had been conducted by the King's Fund and the Nuffield Trust, new and useful information was being accumulated. Scientific research on operational problems should be encouraged, and a centre to which bodies wishing to undertake studies could turn for advice and guidance in regard to these seemed necessary.

Referring to problems of management, Mr. Farrer-Brown said that the management of medical services was one of the most difficult forms of administration and required very able administrators in key positions not

only in the centre but in the field. From time to time the observation was made that the National Health Service was not getting a reasonable share of the administrative ability in the country and this prompted questions about the quality and recruitment of managers to which answers were required. On the level of business operation and efficiency, he went on, savings could and should be made, but there was no evidence that they would be dramatically large. Restrictions on finance and building had had both good and bad effects and the latter might best be avoided by a well thought out programme of capital maintenance and development for a number of years. The financial arrangements of the service seemed now to be developing a fairly flexible form, but the fact that any amounts not spent in any one financial year could not be regarded as savings and carried forward was not an incentive to saving. The financial arrangements in operation were part of a wider issue, namely, the question of centralisation or decentralisation. Decentralisation seemed to him to be preferred. He also considered that the present tripartite division of the services was not conducive to the best development of resources, and he suggested that in each region and sub-region there should be one body responsible financially and otherwise for all three branches of the service.

Discussion of Mr. Farrer-Brown's paper was opened by Professor R. M. Titmuss (Professor of Social Administration, London School of Economics), who endorsed what had been said on the need for more factual knowledge, but maintained that the knowledge thus gained had to be applied. He thought also that they were in danger of forgetting the value of prevention and in health service circles there was more emphasis on getting the general practitioner into the hospitals than on linking him with the local health authority service. A greater sense of responsibility, too, was required from the medical staffs of hospitals.

Among speakers from the floor, Mr. J. C. Davies (Chairman of the Fountain Group Hospital Management Committee) suggested that in view of the short supply of good administrators there should be larger hospital groups with fewer high level and higher paid administrators. Mr. George Watts (Secretary, Oxford Regional Hospital Board) mentioned some of the researches into hospital administration which had been carried out in the Oxford region and which had made use of the experience of industry in such fields as laundry, engineering and catering. Points made by other speakers included the need for co-ordination of services and more emphasis on preventive services.

Summing up after the discussion, Mr. Farrer-Brown felt that they should be realistic on the question of preventive measures, remembering that people did not go into hospital unnecessarily and if they did the fact was not proven. He reiterated that he himself favoured a merger of the three branches, but until someone had the courage to tackle the question of local government reform he did not think the health service should come under the control of the local health authorities.

#### *Domiciliary and Out-Patient Services*

"Should Domiciliary and Out-Patient Services be Extended?" was the title of the paper given by Professor A. Leslie Banks (Professor of Human



Ecology, University of Cambridge). He pointed out that before they extended out-patient and domiciliary care their efforts should be directed to improving the things which they already had and to ensuring that those people engaged on medical care could work as a unified team and not in different sections. There were two measures which would greatly improve the efficiency of the services generally and early diagnosis, treatment and prevention in particular. These were the modernisation and co-ordinated use of out-patient and other clinic facilities and the formation of a corps of administrators, both lay and medical, trained not only in the work of their own department and that of others, but also to appreciate the need to integrate all branches to form a unified service.

In support of these suggestions, Professor Leslie Banks pointed out how it was clear that the mere complexity of modern diagnosis and therapy must necessarily limit the amount of work which could be performed by in-patient units, and in-patient accommodation of the future would perhaps be a place where those patients suffering from conditions which could not be cured by domiciliary or out-patient care could receive skilled treatment—or die. Already the medical staffs of hospitals had transferred to the out-patient departments a great deal of the work formerly carried out in the wards, but were often limited from doing more by the cramped quarters in which they had to work. However, the departments most able to speed the return home of the patient were just those which were often the last to be completed.

Also it was in the out-patient departments that some of the greatest waste of time and money and improper use of staff could be found. Trained nurses were used as ushers and collectors of notes and patients' time was wasted by inefficient organisation. On the subject of domiciliary care he pointed out that this was no longer a simple matter. The general practitioner could expect help from the hospital on the one hand by means of domiciliary visits from the consultant, X-ray and pathological services, and speedy reports, and on the other from the local health authority services, including home nurses, midwives, home helps and ambulances. When co-ordination was given he could truly be said to be the leader of the medical team. When co-operation failed, the patients might suffer and the remedy for such non-co-operation lay locally and not in amending acts or regulations. He pointed to the complexity of the subject of the need for prevention. On the one hand there were great and costly advances in diagnosis and cure requiring elaborate provision of medical and allied services and on the other a rising tide of demand which stemmed in part from the increasing age of the population. He stated that in his view preventive measures and the early detection and remedy of departures from the normal offered the only alternative to a medical service whose limits were those artificially imposed on the grounds of economy.

It was in the out-patient and domiciliary services that the quickest results could be achieved. He described services under three headings: buildings, people and the organisation which bound them together. With regard to buildings, excepting mental hospitals, they did not need more hospital beds, but instead better out-patient provision and improved co-ordination of the three services. Considering services as people, the traditional

team of doctor, nurse, midwife and medico-social worker was now separated sharply by the three administrative divisions of the National Health Service. Considering services as the organisation there were two difficulties: the unwieldy nature of the present administration and the varying calibre and experience of those administering it.

Dr. H. Kenneth Cowan (Medical Officer of Health for Essex) opened the discussion that followed Professor Banks's paper. He thought that full use was not being made of the already existing services. Home nurses and domiciliary midwives could be used much more extensively. Dr. A. Beauchamp (Vice-Chairman of the Birmingham Executive Council) agreed that more should be done to send people home for treatment. This would alleviate the problem of hospital beds. On the subject of co-operation between the hospital and the general practitioner, he himself had never been asked by a hospital whether he considered the patient's home was suitable for his return. He criticised the training of home nurses which he thought should be made more practical. Dr. Greenwood Wilson (Medical Officer of Health for Cardiff) advocated a return to the multi-purpose health authorities that had been advocated in the Willink proposals. Dr. J. O. F. Davies (Senior Administrative Medical Officer, Oxford Regional Hospital Board) agreed that more geriatric units were needed, but he emphasised that their success depended on the quality of their service. Mr. John Dodd (Secretary, Bristol Local Medical Committee) pleaded for better medical records and a higher standard of correspondence on the part of hospital medical staff. Dr. Talbot Rogers (Chairman, General Medical Services Committee of the B.M.A.) maintained that out-patient departments should be confined to consultative work and not take over the work of the family doctor. Dr. A. B. Williamson (Senior Administrative Medical Officer, Leeds Regional Hospital Board) spoke of the progress that had been made in bridging the gap between the three elements of the service in Leeds.

#### *Is the Whitley System Working Effectively?*

The question of the working and efficiency of the Whitley Councils was the subject of a paper by Mr. K. J. Johnson (House Governor, the Bethlem Royal Hospital and the Maudsley Hospital, London). He felt that the Whitley system was probably the only acceptable means of regulating questions of pay and conditions in the health service in the circumstances of today. He thought on the whole that it worked well, but was susceptible of much improvement in its detailed operations, especially in speed of action. He advocated a more balanced distribution of seats on the management side with special regard to the statutory responsibility of hospital boards and more use of the experience of senior administrators in hospitals. The grant of local discretion to fix salaries for non-standard grades and to make merit awards deserved serious consideration. An attempt should be made to eliminate trivial appeals and the possibility of curtailing reference to arbitration should be considered. Staff sides should be more truly representative, with admission conditional on proof of a sufficiency of members among the staff concerned. The secretarial arrangements for co-ordination between the several councils should be strengthened.

Prior to developing these views in his paper, Mr. Johnson had explained

in general outline the development of the Whitley machinery and its workings, pointing out that it was fundamental that a Whitley council should comprise two sides, one representative of employers and the other of those employed. In the Whitley councils the concept that each side should determine its own composition was accepted from the start and the Minister and the management side consistently declined to interfere when complaints had been made that the staff of this or that council was not sufficiently representative. The essence of joint negotiation was compromise and when a negotiation was national in scope and covered an organisation of such diversity as the hospital service there were bound to be instances in which a general award did not quite fit in the individual case. From this fact sprang one of the major complaints against the councils—that they imposed on hospital staffing the dead hand of uniformity. As a means of making the machinery more flexible to local variations from the national pattern, he pointed out the advantages and disadvantages of the establishment of semi-autonomous regional councils and of the granting of local discretion to fix salaries for non-standard grades and to make merit awards within a limited global sum.

On the subject of unbalanced representation on the management side, he suggested that there might be an advantage in reducing the local authority quota of seats and in increasing the allocation to hospital boards and committees accordingly, but he did not advocate that the hospitals and the local authorities should work in isolation in the matter of wage negotiation and emphasised the compelling need to co-ordinate the rates of pay of staff in the various public services. He thought it inevitable that Ministry officers should have a greater knowledge of factual data than other members of the management sides, but that knowledge, which was still largely theoretical, needed to be balanced and tempered by equal knowledge and experience of the day-to-day work of hospital administration on the part of the representatives of the employing authorities.

The length of time that the Whitley councils took to reach agreement was one aspect in which Mr. Johnson thought they failed. The reason for the delay lay mainly in the volume and complexity of their work. The give and take of actual negotiation often occupied from six months to a year. Too many claims found their way to arbitration. Although arbitration machinery was an integral part of Whitley councils, as there had to be some provision to break deadlock when there was failure to agree on both sides, arbitration was intended as a last resort and he deplored its use as a calculated "weapon" of negotiation. Decisions made by the Industrial Disputes Tribunal or the Industrial Court meant that the decision was taken away from those who were primarily responsible for the health service. The number of Whitley appeal cases heard in the last four years was striking, and too much time and labour were absorbed in what was frequently a relatively trivial matter.

On the composition of the staff side, he explained the position today whereby no other organisation, however just might be its claim to representation, could gain a seat on the staff side without the consent of that side the members of which, not unnaturally, did not welcome rivals. He suggested that it should not be impossible to arrange that bodies claiming the right

to seats on the staff sides should satisfy an independent arbitrator that their claim is justified by a sufficiency of members.

Discussion on Mr. Johnson's paper was opened by Dr. John Gibson (formerly Medical Officer of Health for Huddersfield). He wished to see better co-ordinated results. He did not think the unbalanced representation especially important, but he supported Mr. Johnson in general. Mr. S. G. Hill (Superintendent of the General Hospital, Northampton) agreed that there were anomalies, but felt that the disadvantages were inherent in the system, and had to be accepted if the principle of negotiated agreements was accepted. He thought there was a case for making some posts non-Whitley and regretted the lack of local autonomy. He agreed that there was some danger in staff sides not being representative, but thought that the question was probably hypothetical at this present time.

Mr. C. S. Bangay (Clerk to the London Executive Council) said that it was difficult to find a substitute for the Whitley system. He criticised the lack of knowledge on the management side. The staff side seemed to be exclusively male, which might explain why women in the third grade received less money than men in the first grade. Mr. J. F. Milne (Institute of Hospital Administrators) suggested that the causes of many apparent defects of the Whitley councils, including the lack of flexibility in awards, lay less within the Whitley councils than in the administration of the service itself. He pointed to the practical reasons for restricting admission to the staff side and access to the appeals machinery. Mrs. F. C. Ormerod (Chairman, Bethlem Royal Hospital and the Maudsley Hospital) pleaded for greater expertise on the management side of the councils. Sir Arthur Howard (Chairman, Teaching Hospitals Association) said that inevitably Whitley councils did not always make perfect decisions, and anomalies would always exist, but in the main the councils were working well. Mr. J. E. N. Davies (N.A.L.G.O.) stressed that the principle that the representation of each side was a matter for the side concerned was not new, but had been laid down by the Whitley Committee in 1917. It was a principle essential to the efficient working of Whitleyism. A responsible attitude could not be expected from staff sides if, in addition to satisfying their own members that they were adequately pressing their demands, they had to be constantly looking over their shoulders at what other organisations were doing. Mr. S. R. Speller (Institute of Hospital Administrators) suggested that Mr. Johnson's plea for a curtailment of resort to arbitration was contradicted by his own reference to protracted delays in negotiations, which indicated the need for a means to avoid indefinite prolongation of discussion. It was perhaps significant that it was the management side which sought to limit arbitration by demanding the consent of both sides to it, and having regard to Mr. Johnson's reference to arbitration decisions being taken by bodies not answerable for the cost of the service, he asked if they were now getting the suggestion that because the money allocated to the service was limited the officers working it should receive lower rates of remuneration than comparable grades in other services and undertakings. Other speakers referred to anomalies and delay in reaching decisions on the part of the Whitley councils.

Mr. Johnson, replying to the discussion, said he had not intended to suggest that arbitration should be abolished, but in his view it had been

misused as a means of securing delay. He concluded that although Whitleyism had its difficulties there was no better way of negotiating wages.

### *Is Manpower Used to the Best Advantage?*

The paper by Mr. H. A. Goddard (lately director of the Nursing Job Analysis Inquiry for the Nuffield Provincial Hospitals Trust) on "Is Manpower Used to the Best Advantage?" was presented in his absence by Mr. P. H. Constable (House Governor, St. George's Hospital).

In his paper, Mr. Goddard said that if it was accepted that the best use was not at present being made of manpower, action should be taken to formulate a personnel policy which would aim at the most effective and economical use of manpower compatible with efficiency. There were several things necessary to attain this end. They had to encourage the acceptance and application of the principles of personnel management in all branches of the service. This might require the appointment of personnel advisory officers after the pattern of the Ministry of Labour. It would be necessary to institute appropriate schemes for supervisors and workers and to conduct research into the personnel problems of the service, consider the facts obtained therefrom in consultation with interested parties and make such decisions as would result in a personnel policy capable of national application.

In support of these suggestions, he pointed out that over 60 per cent. of the total expenditure on the health service was made up of salaries and wages and it was therefore necessary to make some assessment of the value received for that sum. He went on to give instances of the results of the fact finding survey into the work of nurses which he had directed. Other spheres in which economy in manpower could be effected were domestic work, portering services, heating, kitchens, administration, medical staffing and personnel management. In each instance he pointed out how economies could be made. He spoke of the method of job analysis and suggested how factual information covered by questionnaire and observation might be used. On the advantages of investigations, he said that there were many problems of personnel about which information was required. The cost of such investigations, although heavy, would be insignificant beside the £250m. that was being spent annually on wages and salaries and would be a prudent investment. He suggested that an annual grant from Parliament should be given to maintain an independent research unit into these problems and suggested that a figure of not more than £25,000 would be adequate. A steering committee composed of representatives of regional hospital boards, boards of governors and hospital management committees could decide the priorities for the programme of work and review the results.

Presenting Mr. Goddard's paper, Mr. Constable pointed to the need for basing policy on facts instead of on opinions, and he urged that there was wide scope for investigations and job-analyses similar to that undertaken in the nursing field. Hospitals might themselves finance such studies. Sir Zachary Cope (Chairman, Medical Recruitment Committee, 1952), who opened the discussion, said he brought a layman's point of view to the problem of administration. He suggested that they might gain useful information if they compared the volume of work in the hospitals and the number of their staff in 1938, 1945 and 1953. He agreed with Mr. Goddard that there



were enough nurses if they were properly distributed. But it would not be possible to distribute them without direction of labour and rather than do this it would be preferable to offer special advantages in those fields where they would not work at present. Manpower would also be saved if doctors could be appointed to hospitals nearer their homes.

Miss H. M. Keynes (St. Ebba's Hospital Management Committee) felt that doctors were not an advantage on management committees because they seemed to want to run the hospital themselves. She was, too, worried about the friction between the medical and lay administrative staff. Mr. J. M. Banks (Scottish Secretary of the British Dental Association) spoke on the need for priority dental services for children; neglect now meant increased expenditure later. Mr. A. Ashworth (Secretary, Mansfield H.M.C.) referred to the difficulties of recruiting nurses and criticised the General Nursing Council's pre-occupation with the status of the nurse and inability to appreciate the effects of its decisions on hospital staffing—a criticism which drew an answer from Miss F. F. Lillywhite (G.N.C.) that the council was concerned with the training of nurses and not with the staffing of hospitals. Mr. John Grant (United Oxford Hospitals) considered that doctors employed in a hospital should not be appointed to the board of that hospital. This suggestion met with considerable applause. Dr. Glyn Hughes (Senior Administrative Medical Officer, South East Metropolitan Regional Hospital Board) agreed that consultants spent too much time and energy in travelling and suggested that some of the older consultants' appointments might be transferred to younger men. He thought it was important, however, for general practitioners to maintain the link with consultants which sessional visits at several hospitals provided.

#### *Economy in Prescription and Treatment*

In the absence of Dr. A. M. G. Campbell (Consultant Physician, United Bristol Hospitals), his paper on "The Medical Profession's Contribution to Economy in Prescription and Treatment" was presented by Dr. Glyn Hughes. Dr. Campbell pointed out that the increased cost of prescribing could not be attributed merely to the fact that the State paid. The actual cost of drugs and dressings had risen fantastically during the last few years and the introduction of very expensive new drugs meant that the cost of medical supplies was continually rising. The largest single drug bill in hospitals was for anti-biotics. At the Bristol Royal Hospital they had set up an economy committee, which reviewed expenditure each month, and they tried to instruct residents and students in the correct use of drugs. Regular instruction was given to new housemen, diagrams and charts were displayed in the wards, and a booklet has been prepared outlining the essential use of each drug, its dangers and, not least, its cost.

On the question of proprietary versus other compounds it was clear that in many cases the B.P. compound was just as good as, if not better than, proprietary preparations and very much cheaper. He said it would be valuable if the College of General Practitioners interested itself in the question of economy and the use of drugs. He suggested that the college should form committees to discuss this question and to encourage the correct use of the various compounds.



Mr. J. C. Hanbury (Vice-Chairman of Allen & Hanburys Ltd.) opened the discussion. He suggested a compromise between placing an embargo on proprietary drugs and a complete *laissez faire* policy. Dr. Stanley Thomas (General Practitioner; Vice-Chairman, East Ham Executive Council) considered that there was a deterioration in the knowledge of pharmacy among general practitioners today, who were not always aware of the contents of their own prescriptions. Dr. W. D. Hood (Senior Medical Officer, Department of Health for Scotland) considered that the views of hospital pharmacists were important in the planning of economical prescribing. Mr. S. Hodgkinson (Secretary, Rochdale and District H.M.C.) referred to ways in which the interest of doctors and nurses in the matter of drug economy had been obtained in his group. Dr. Talbot Rogers suggested that the cost of prescribing varied according to local conditions and said that the General Medical Services Committee had asked for area averages to be restored. These would assist in reducing the drug bill.

#### *Medical Planning in the Regions*

The last session of the conference was given to the paper by Sir Fred Messer, C.B.E., J.P., M.P. (Chairman, Central Health Services Council), on "Medical Planning in the Regions." It was his view that the Ministry of Health should not run the service. There should be a national health and welfare board something along the lines of the Central Health Services Council. This board should have the overall responsibility for the administration of the service. Hospital regions should be reduced in size and regional boards should have authority over hospital administration. Regions should conform to the boundaries of a group of local authorities, thus making joint action easier. Teaching hospitals should be part of the regional service and regional boards should control the ambulance service. He said that there was no doubt that under the health service it was the hospital service that had advanced most in medical planning. This was inevitable as it naturally lent itself to planning and covered a wide area and a large population and the major function of the regional boards was planning. He gave an indication of the great improvement in the use to which hospitals had been put as a result of regional planning. He considered that the health service was founded on expediency and not on principle, but before the Act there had been no worthwhile planning at all.

Dr. T. Lloyd Hughes (Senior Administrative Medical Officer, Liverpool Regional Hospital Board) considered that regional planning had justified the claims and hopes that had been made for it, although circumstances still prevented the system from achieving all the benefits it might. He thought that a more even distribution of resources was possible and laid part of the blame at the door of the three-fold division of the service, the lack of capital expenditure and the shortage of doctors and nurses.

Dr. T. A. Morrison (Chairman of Brighton Executive Council) considered that regional boards seemed to think in terms of large hospital units only and did not attempt to find out enough about local needs. He criticised the school and ante-natal clinics of the local health authorities and thought that the general practitioners themselves could do all that was done there.

Sir Allen Daley (formerly Medical Officer of Health, London County

Council) considered that the difficulties of co-ordination were due more to lack of time than to any unwillingness on the part of those who ran the service. He agreed with Sir Fred Messer that the present hospital regions were too large and while teaching hospitals should be associated with each region they did not necessarily have to be within the region. There would be advantages in areas co-terminous with local government boundaries.

Mr. J. C. Davies (Fountain Hospital Management Committee) wished to see greater power given to house committees, and instead of the regions being made smaller he thought that the hospital management committees should be enlarged.

Sir Fred Messer, in reply, said that planning had justified itself. As a result of the R.H.B.s' existence, many people were now receiving consultant specialist treatment who never would have obtained it before. Better use had been made of the accommodation available. H.M.C.s were an indispensable element in organisation, and no R.H.B. could plan its service properly without consulting the H.M.C.s affected. R.H.B.s and H.M.C.s should enjoy greater freedom in the expenditure of their budgets.

All that had been said at the conference showed clearly that, where the will existed, the effort would be made. This service, the finest in the world, was not yet so fine as it would be if we profited by our experience.

# *The Report of the National Assistance Board for 1952*

By R. E. C. JEWELL

THE Report of the National Assistance Board for 1952 contains some startling facts and figures which encourage reflection on the central position of national assistance in the Welfare State today. In his introduction of the Report to the Minister of National Insurance, the Chairman of the Board, Mr. George Buchanan, observes that during the year under review the number of persons receiving weekly assistance rose by more than 200,000, which was considerably more than the rise in 1951. In the Spring of last year the Board proposed increases in the assistance rates to meet the higher food prices resulting from the Budget reductions in subsidies and other higher costs. The new rates are nearly half as much again as the rates that came into operation at the start of national assistance in 1948. The consequent rise in the average payment, combined with the large number of allowances, has brought the rate of expenditure on assistance to over £100 million a year. A remark of the Chancellor of the Exchequer in his Budget speech last year, quoted in the Report, is significant: "The ultimate protection against want in this country is National Assistance. I have no doubt that the National Assistance Board will take cognisance of my proposals on food subsidies and will make appropriate recommendations. . . ."

The other arresting statement in Mr. Buchanan's introductory remarks is to the effect that additional persons over retirement age who needed assistance in supplementation of their retirement pensions or non-contributory old age pensions accounted for more than half the increase. In addition, allowances were made in supplementation of sickness or industrial injury benefit, widows' benefit and unemployment benefit. More than a million of the persons drawing national assistance on 5th November, 1952, were over pensionable age and nearly 200,000 were over 80 years old; women drawing assistance numbered more than a million. It can thus be seen that the national insurance scheme introduced after the war is at present failing to achieve its primary purpose as the contributory benefits provided are inadequate.

Fortunately the National Insurance Act provides for a review of the working of the scheme in 1954. The timing could hardly be more opportune and a detailed examination of all aspects of the scheme will then be possible. In addition, remedial action could be provided by the government actively encouraging men and women to remain at work as long as possible.

The absurd situation that has arisen owing to the inadequacy of existing insurance benefits is well illustrated in the following passage of the Report: ". . . Widows', sickness and unemployment benefits were not increased until 24th July, family allowances until 2nd September and retirement pensions until 29th September. Thus a sick man with a wife and three children who before 16th June (the date of the assistance scale increases) was receiving sickness benefit at the standard rate of 57s., with family

allowance of 10s. and supplementary assistance of (say) 17s. 6d., giving a total income of 84s. 6d., would have found his assistance increased on 16th June by at least 13s. 6d. to 31s., giving a total income of 98s. The total income would thereafter remain unchanged at 98s., but on 24th July its composition would alter to sickness benefit 69s. 6d. and family allowance 10s. with supplementary assistance of 18s. 6d., and on 2nd September its composition would alter again to sickness benefit 69s. 6d. and family allowance 16s. with supplementary assistance 12s. 6d. Thus though the man's total income changed only once (increase from 84s. 6d. to 98s. on 16th June) the assistance element had to be changed three times. . . ." As the Board point out, the complications could have been avoided only by deferring all changes until the latest relevant date and it was felt that, given the rise in food prices, such deferment would have been purchased at the cost of too much hardship between 16th June and 29th September.

Supplementary assistance grants for rent are allowed for separately as additional to the amount allowed under the scale, and in the case of owner-occupied houses, an allowance for repairs and any charges by way of mortgage interest. An unhappy dispute has arisen between the Board and certain Local Authorities over the allowance of rent rebates. In some areas the Local Authorities concerned have sought to exclude tenants of Council houses who would otherwise have been eligible on grounds of hardship for rent rebates, but have also been receiving national assistance in the expectation that the Board would pay the difference. But the Board has informed these Local Authorities that it will not do so and that the exclusion of such tenants from rent rebates could only result in hardship. As the Report states, it seems unreasonable that the benefits of arrangements designed to help the poorer part of the community should be withheld from those who, in the nature of things, are the poorest of all. Whilst the Board's action in making its position clear to the Local Authorities is to be commended, it is impossible not to feel some sympathy with this attempt of certain Local Authorities to save money for their ratepayers at the expense of a powerful National Board, whose finances are ultimately provided by the Treasury out of national taxation. On the general question of rent allowances paid by the Board, some interesting questions were asked in a leading article in the *Manchester Guardian* of 1st August, 1953. "If the Assistance Board pays people's rent, as it does in a larger number of cases, ought it to have more control over what that rent should be? If it acquiesces in a general rent increase by some Local Authority, it is helping to increase the housing subsidy in a disguised way—ought this to take place by purely administrative action?" These questions are bound up with the fact that Local Authorities continue to be exempted from all, or part, of the operation of the Rent Restrictions Acts. It is perhaps questionable, however, whether the National Assistance Board should have any control over the amount of rents.

The Board makes allowances for many other needs and in the year under review made several thousand additions to normal assistance payments for special diet, laundry and domestic assistance. It also has the power to make grants in single payments to meet exceptional needs; these are usually made to persons already receiving weekly allowances and are mainly for clothing, bedding and other household equipment. The various National

Health Service charges have also been covered: the Board are empowered to meet charges for the supply of dentures or spectacles, for pharmaceutical services, dental treatment and the supply of surgical appliances, drugs and elastic hosiery. With regard to the shilling charge for prescriptions it was arranged that chemists would issue a receipt and that any person drawing assistance would be able to recover the shilling by presenting the receipt when collecting his weekly payment. The Board state that this arrangement has worked smoothly.

An important section of the Report relates to the problem of the able-bodied unemployed, that is those persons who are required to register for employment as a condition of receiving assistance allowances. The Report for 1951 concluded that about 7,000 of these able-bodied recipients of assistance *could have been working if only they had wanted to work* (my italics). The Board minimise the significance of this figure by pointing out that about twenty of such able-bodied persons are to be found amongst the 5,000-odd recipients of assistance in the average Area Office of the Board. In the year under review, the Board began to use Section 10 of the National Assistance Act, whereby if a person refuses to work and the Appeal Tribunal so directs he may be required to attend the Re-Establishment Centre at Clent in Worcestershire instead of receiving an assistance grant. The Board point out, however, that this remedy is applicable mainly to single men, as the dependants of a married man who refuses to work cannot be left to starve and he would inevitably share in any grant. In the last resort the Board may have no alternative to prosecution under Section 51 of the Act in such cases. During 1952 there were fifty-six prosecutions under the Section other than those relating to liable relatives (see below). Fifteen were of men who had persistently sought admission to Reception Centres when they ought to have been working and the remaining forty-one related to men receiving cash assistance at Area Offices who had refused offers of jobs or had left work without good cause.

Whilst the humane spirit in which the Board and its officers go about their work is highly commendable, it might perhaps be arguable that the Board is not sufficiently alive to the problem of the malingering able-bodied and their psychologically depressing effect on the industrious majority in the community. The Board point out that Parliament clearly intended that criminal proceedings should be reserved for serious cases and that it is usually necessary that the men to be prosecuted should have refused offers of work on several occasions. It is also stated that even among the persons who are required by the Board to register for employment, the majority would not look to the Board if they could contrive otherwise. Nevertheless the problem of the persistent malingerer, who is comparable to the criminal recidivist, is one which does not appear to have been adequately tackled. No-one would wish the Board's officers "to be any less considerate and forthcoming in their dealings with applicants genuinely in need of a helping hand," but it is tentatively suggested that in many cases malingering can be detected at a comparatively early stage and that prosecutions could be set in motion more speedily.

Two alterations in the law and an important decision are discussed in the section on the liability of relatives. Under Regulations made last year

a reference to Section 51 of the National Assistance Act was inserted to the Schedule of the Criminal Evidence Act, 1898, which provides that the husband or wife of a person charged with an offence under any enactment mentioned in the Schedule may be called as a witness for the prosecution. Thus in prosecutions by the Board or Local Authorities for persistent neglect to maintain it is now clearly established that a man's wife can give evidence against him if she wishes. During the year there were 112 prosecutions under Section 51 of husbands and fathers who had persistently refused or neglected to maintain their wives and children and imprisonment resulted in eighty-nine cases. Under the Affiliation Orders Act, 1952, the maximum weekly amount which a Court can order the putative father to pay for the maintenance of an illegitimate child was increased from 20s. to 30s. The Act also allows maintenance to be ordered in respect of periods when the child is over 16 but under 21 and is undergoing a course of educational training; this is a valuable step forward and on the same principles as the tax concessions provided by the Inland Revenue in the case of legitimate children whose education is being continued after the age of 16.

There is an interesting discussion in this section of the Report on an important decision about the extent of a husband's liability to maintain his wife. A series of cases had established that a husband was not liable to maintain an adulterous or deserting wife, but *obiter dicta* in an unreported case had suggested that "under the National Assistance Act . . . a man appears to be under an absolute liability to maintain his wife and children." The judgment in *National Assistance Board v. Wilkinson* (1952) 2 Q.B. 648, (1952) 2 A.E.R. 255, however, established that assistance granted to a wife cannot be recovered from her husband without regard to the circumstances which led to his not supporting her and that section 42 (1) of the Act did not deprive husbands of the defences which were open to them before its enactment. The Board are advised that the judgment does not affect the liability of both husband and wife for the maintenance of their children, nor does it signify that a husband is secure against proceedings for recovery of assistance paid to his wife after a mutual agreement to separate. The effect of the decision therefore appears to be to put the case-law on liability to maintain on prosecutions brought under the National Assistance Act on all fours with that arising out of the Separation and Maintenance Acts; the net result is, taking all possible circumstances into account, more equitable than would be the effect of the *obiter dicta* already quoted.

The organisation of the Board continued unchanged in 1952, based on 349 local Area Offices at which applications are received and decided. The Area Offices are controlled by Headquarters through the Regional Offices in England and Central Offices in Edinburgh and Cardiff. There is a special office in London dealing with applications from people in the London area for legal aid under the Legal Aid and Advice Act. There is another special office in Manchester concerned solely with the issue throughout the country by post of books of tobacco tokens to pensioners eligible for tobacco duty relief. There are also 185 supplementary offices, mainly in local offices of the Ministry of National Insurance and the Ministry of Labour and National Service, where members of the public can make enquiries and if in need of urgent assistance can get it.



## THE REPORT OF THE NATIONAL ASSISTANCE BOARD FOR 1952

There are fourteen extremely useful Appendices to the Report, eleven of them necessarily of a statistical nature but none the worse for that. The two most interesting, however, are perhaps Appendix VII on the Re-Establishment Centre and Appendix IX on Advisory Committees. The former gives twenty-four case histories of men who had left the Centre at Clent by 1st September, 1952, and were in employment by the end of the year. The latter gives thirty-six examples, in somewhat greater detail, of the sort of cases which members of the Board's Advisory Committees are asked to consider. These cases in particular repay careful study, both from a sociological point of view and as excellent illustrations of some of the very fine rehabilitation work being carried out under the auspices of the National Assistance Board. The Board indeed pay a gracious tribute to the members of their Advisory Committees, saying that they are much indebted to them for the time that they have given to advising on individual cases, particularly those of men and women who seem to have lost the will to work or who are too heavily handicapped to be able to hold ordinary jobs. The liaison between the Board and other public and voluntary bodies appears to be excellent: co-operation is disclosed with such diverse organisations as Local Authorities, the British Red Cross Society, the National Institute for the Blind, the Institute for the Deaf and Dumb, a local Rotary Club, a local association for Physically Handicapped persons, a local Polio Club and the National Coal Board.

## CORRESPONDENCE

DEAR SIR,

It is unfortunate that Mr. Heginbotham's enthusiasm for the Youth Employment Service has made him read my Haldane Essay as an attack on the present service, and by inference on the local authority Youth Employment Officers who are largely responsible for operating it.

This interpretation misses the essential point that a Haldane Essay is an academic exercise and not necessarily an excursion into practical politics. My essay (as its title implied) was an attempt to review the history of Dual Control in the Youth Employment Service in order to explain its present hybrid structure, and to suggest a logical (but not necessarily immediately practical) improvement of the administrative arrangements. I agree with Mr. Heginbotham that another big upheaval so soon after the many changes caused by authorities taking up "now or never" powers under the 1948 Employment and Training Act might do the Service more harm than good—but that does not mean that the present arrangements are perfect. For example, the recently published report of the National Youth Employment Council for 1950-53 calls for closer co-operation and integration in the Service and even mentions "the danger of parochialism of outlook."

The improvement of techniques did not come within my terms of reference, and I am certainly averse to stirring up the barren argument about whether "we or they" do this work better solely because we are central or local government officers. There is probably much the same proportion of good officers in both camps, and both have their share of ineffective officers. My concern was solely that the individual should have the best possible framework within which to act.

Yours faithfully,

K. H. B. FRERE.

10/12 Bristol Road,  
Weston-super-Mare.

21st December, 1953.

## BOOK REVIEWS

### *Government Accounting and Budget Execution*

UNITED NATIONS and H.M.S.O., 1953. Pp. v + 90. 5s.

THIS publication contains the results of a study carried out at the request of the Economic and Social Council of the United Nations by the Fiscal Division of the Department of Economic Affairs in the United Nations. It is divided into two parts. The first is of general application and surveys the broad requirements for an adequate system of central government accounting.

The terminology used does not conduce to ready appreciation by the British reader, who may find it difficult to know exactly what is meant by such a sentence as: "The techniques of budget execution provide a means of strengthening a central government in the administration of programmes for stability and development." The term "budget execution" which occurs constantly is not familiar to us. Apparently it means in our phraseology something like the relation of expenditure to estimates as approved in the Appropriation Acts.

The general conclusion reached is that while no uniform system of government accounting can be recommended for all countries, every country would be well advised to carry out a periodic re-examination of its system in order to determine its adequacy and the ways in which it should be adapted to meet changing requirements. Very often procedures have become cumbersome and out of date. In Great Britain this is a point which is constantly being examined by the Public Accounts Committee of the House of Commons; moreover the whole form of Government Accounts was reviewed recently by a Committee under the chairmanship of Mr. W. F. Crick, which produced its report in 1950 (Cmd. 7969), but found no changes of principle necessary.

The authors also recommend that external pre-audit control should be eliminated and replaced by strong internal control under the supervision of the Head of each Department of Government. Post-audit by an external auditor should

provide the legislature with an authoritative analysis of the custodianship of public funds. This is the system which has been in operation in Great Britain for many years; though it is generally recognised here as the best system, it is satisfactory to find it endorsed and recommended to other countries by the experts of the United Nations.

The Study mentions very briefly the British system of entrusting the examination of Government Accounts and the auditor's reports thereon to a special Committee of Parliament, known as the Public Accounts Committee. Few countries outside the Commonwealth have a system of this sort, but it provides a vital link in Parliamentary control of expenditure and it is to be regretted that the authors do not describe our system in more detail and commend its wider adoption.

The Report recognises that there are necessarily wide variations in the form and scope of post-audit—from the detailed examination of every transaction to what it describes as "modern sampling techniques" under which "the post-audit becomes more an audit of the accounting system . . . than an audit of its transactions." The magnitude of Governmental expenditure in all countries under modern conditions and the need for restricting the cost of audit within reasonable bounds undoubtedly demand a system of tests rather than a 100 per cent. check, and our Parliament recognised this as long ago as 1921. But an examination of any system must depend primarily on a scrutiny of its transactions, and it would be a sad day if auditors felt that they could perform their duties merely by looking into the system of accounting without making sufficient test checks of actual transactions to enable them to judge whether the system adequately meets current needs and is properly applied.

The Study says further that "post-audit may assume a substantive character—an examination of the effectiveness of

Administration as a whole, its efficiency and its adequacy." Here one may well feel that enthusiasm for audit has led the authors too far. Audit may bring to light instances of waste or extravagance or it may reveal defects in financial control, but it is difficult to see how any examination of accounts can lead the auditor to a sound judgment as to whether the organisation as a whole is being conducted in the most efficient way possible to achieve its declared objects.

The second part of the Study contains a detailed examination of the accounting systems actually employed in four selected countries — France, the Netherlands, Sweden and the United States. In each country there are a number of significant

features which are clearly described, but conditions vary so greatly between one country and another that it is, as the Study recognises, difficult, if not impossible, to develop principles of government accounting which are capable of general application.

There are a number of other interesting and useful points in the publication, which should be studied by those who are interested in comparing the accounting systems of different countries. But it is not mere insular complacency which leads to the conclusion that there is very little, if anything, in it which points the way to any improvement in our own system in Great Britain.

F. N. TRIBE.

## *British Government*

By **HIRAM MILTON STOUT** (Oxford University Press), 1953. Pp. ix + 433. Bibliography. 42s.

THERE is an old belief that whereas books on American government for British readers should be written by Britons, books on British government for American readers should be written by Britons also. The strongest argument in favour of the first part of the proposition is Lord Bryce; the strongest argument I have yet encountered against the second half of the proposition is this book on British government by Dr. Hiram Stout. We have all read enough accounts of British government by American political scientists to know how easy it is for them to get things not quite right, and we know ourselves when we try to understand American government how frequently we distort or mistake the significance of what we are studying. So often we are looking for something that is not there and we are not happy until we have found it. When these pitfalls are remembered, the very great success of Dr. Stout's book is fully appreciated. Dr. Stout's intention has been to write a book which would "provide American readers, principally college and university students, with a description of the present-day structure and practice of British government" (p. iii). Could we pay it a higher compliment than to say that it could be placed with the fullest confidence in the hands of British students?

It is a long, solid book, packed with information. In patches the information is perhaps a little too solid. Occasionally there is what seems like avoidable repetition, as for example the passages on the Judicial Committee of the Privy Council on pp. 227-8 and again on p. 392, and the reference on p. 97 and again on p. 100 to the fact that ministers are exceptions to the rule that Members of the House of Commons must not hold offices of profit under the Crown. Yet it is not easy in a book of this kind to avoid repetition. What impresses the British reader is the balance and penetration of Dr. Stout's treatment. He can write about the class structure of British society, the British party system and even about the British monarchy without lapsing into those subtle errors of misinterpretation to which American writers are often prone. His appreciation of the differences between British parties (pp. 180 ff) is particularly good. His exposition is always securely founded upon history and it is an admirable feature of the book that he tells his readers something of the way in which institutions grew.

Dr. Stout has not confined himself to the United Kingdom alone. He has some interesting chapters upon the Commonwealth and is less baffled by its oddities than many British writers would be.

Indeed the only obscure passage in his treatment of the topic is a quotation from an "authority," which shows that involved writer even more than usually ambiguous and vague (p. 38). There are occasional slips. He suggests (p. 56) that a change was made in the Royal Title in 1949 "because of the decision of the Dublin government to sever its formal tie with the British Commonwealth," but this is not so. Nor was George VI's title ever "of Great Britain and Northern Ireland and the Dominions beyond the Seas, King." It ran "of Great Britain, Ireland, and the British Dominions beyond the Seas, King." The statement (p. 57) that Edward VIII abdicated in favour of "his eldest brother" must be a slip for "younger." Australia was not the first Dominion to have a native son as Governor-General (pp. 64 and 387); the Irish Free State had that distinction when Mr. Tim Healy was appointed Governor-General in 1922. Nor is it correct to suggest (p. 387) that Australia had a native son as Governor-General from the appointment of Sir Isaac Isaacs in 1930 until the appointment of the Duke of Gloucester in 1945. Lord Gowrie (Sir Alexander Hore-Ruthven as he then was) in fact succeeded Sir Isaac Isaacs. The official name of Canada is not "the Dominion

of Canada" (p. 384, n. 1), but "Canada." Britain's declaration of war in 1939 *did* automatically make belligerents of some other Commonwealth members (e.g., Australia and New Zealand) though not of all (p. 386).

There are a few errors in other parts of the book. Viscount Grey of Falloden is called "Earl" (p. 321); Mr. J. C. Masterman becomes Sir C. H. Masterman (p. 272); the royal assent to bills is said to be given by commissioners "appointed by the Lord Chancellor" (p. 133), but surely they are appointed by the Sovereign? Some points might have been made more explicit. Written questions in the House of Commons appear to have been unnoticed (p. 143); the fact that the name "Hansard" now appears on the Parliamentary Debates is not made plain in a passage on p. 108. The King's discretion in the grant of dissolution is not considered sufficiently on p. 61; it cannot be dismissed without some discussion.

These small points, though not important in themselves, are insignificant when placed against the scholarship, the sound judgment, the high level of strong exposition, the breadth and depth of the analysis which Dr. Stout displays in this book.

K. C. WHEARE.

## *Introduction to French Local Government*

By BRIAN CHAPMAN (Allen & Unwin), 1953. Pp. 238. 18s.

RECENT books on local government abroad are rare and the publication in this country of a new one is something of an event. But Dr. Chapman's book is especially welcome. French local government is of particular importance in the study of comparative local government—so near to Britain, its system is yet so different from the British—and this book provides both a lucid introduction for the student and a useful recapitulation for the more experienced reader.

In approach, it differs from most of the French works in this field. French theory, which regards local government as a "decentralisation" of power from the state, treats it as part of the administrative machinery of the state and its exposition forms part of courses on *droit administratif*. *La décentralisation* accordingly gets a

chapter or two in the legal textbooks on *droit administratif* and there are legal works on the functioning of particular institutions, services or subjects, e.g., the commune, public assistance, central control. There are also books advocating reforms or re-organisation, often concerned with proposals for regionalism. But there is no body of literature on local government as a subject of political or social science, comparable with that available on local government in Britain or the United States. Dr. Chapman's book, therefore, as it is written from the standpoint of political science rather than of law, strikes one as a more suitable introduction for the English reader than any mere translation of even the best works in French would be.

The book opens with a brief resume of the *dramatis personae* of French local

government—state officials and elected members—a description of the structure of areas and authorities, and a summary of the principles of French administrative law applicable to local government. This chapter of some 24 pages gives a remarkably useful précis and the subjects discussed are taken up in turn in the subsequent chapters. These deal with the elected bodies (communal and departmental), the executive agencies (mayor and communal officials, the prefectural corps and the administration of the department), the central-local relationship, administrative law, finance, and the administration of Paris.

These chapters bring out clearly enough the main features of French local government—the uniformity of authorities, the key position of the prefectural corps, the separation of powers between the executive and deliberate organs in the local authority. For instance, there is an interesting explanation of how the system of obligatory expenses helps to make workable the system of complete uniformity of status between communes, in spite of the very wide variation in their population and resources. But perhaps the principal merit of the book is the illustration of principles by examples of recent actual incidents. There are examples of conflicts between mayor and council, between mayor and prefect, between council and prefect. These show how in practice some of the powers of the central government representatives are in fact trammelled by the conventions imposed by the foreseeable consequences of the exercise of power; it is not much use dissolving an intractable council, if the only result is making martyrs and the return of the intractable councillors with increased majorities at the subsequent election. The book also underlines the close interpenetration between central and local government. This is true not only on the official level, where the prefect is not only the representative of the state, but also the chief executive of the departmental council-general. It is found also on the political level; elections are conducted on a political basis more widespread than in this country, stimulated no doubt by the role of the local authorities as electoral bodies for the Upper House of the Republic; cumulation of offices by political personalities is also frequent and it is not unusual to find a deputy active in national politics who is also

both mayor and chairman of the council-general of his department.

As in any book, there will naturally be points which the individual reader will wish to question. The comparison between English local government in the middle ages and French local government today, which is made in the opening chapter, is ingenious, but can be pushed too far, as when it involves comparing the French commune with the English hundred. Dr. Chapman also implies more support than perhaps some of his readers would grant for the thesis that deconcentrated central government has merits akin to those of local government because the centrally appointed official lives and works in the locality and tends to identify himself with its interests; "if centralisation means the subordination of local decisions to the agreement of state officials, then French local government is highly centralised. But it is centralisation in which the centre is the departmental Prefecture and not Paris, and this alters the picture a great deal."

Perhaps more fundamental is the author's decision not to give much attention to the history of the subject. He is certainly right in emphasising how much of the structure of French local administration dates from the year VIII, yet it is interesting to trace the ebb and flow of decentralisation, with the changes in the character of the national regime since the Revolution; it might also be worthwhile to follow, with de Tocqueville, the origins of the prefectural system beyond the Revolution to the *intendants* of the *ancien régime*. It is interesting to compare Dr. Chapman's book with a French one, published just after his, by the Presses Universitaires de France—*L'Administration Régionale et Locale de la France*, by Hervé Detton, conseiller d'état. This, forming part of the "Que Sais-Je" series, is roughly comparable in length and scope to an English "Pelican." Comparing it with Dr. Chapman's book one notes that more attention is given to principles, to history and to the regionalist movement. On the other hand, there are none of the contemporary examples and local colour which make Dr. Chapman's book so vivid and refreshing. Dr. Chapman is certainly to be congratulated on writing the book, and the Institute on "instigating its publication."

V. D. LIPMAN.

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By J. R.

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*Delegation of Services within Counties : A Factual Survey*

By J. R. SAMPSON, I.M.T.A., 1953. Pp. 170. 25s.

IN the discussion and argument about the future of local government there has been in the last few years a change of emphasis. No longer is attention paid primarily to the boundaries and areas; instead, the debate today is more concerned with the relations between the organs of government. This includes, on the one hand, the question of central control by the Ministries, and, on the other hand, the division of responsibility between county councils and the county district councils within their boundaries.

Earlier this year a report on local government reorganisation was published jointly by the County Councils' Association, the Associations of Urban and Rural District Councils, and the National Association of Parish Councils. The greater part of this report was devoted to the problem of delegation of functions from county councils to district councils. So also the Local Government Manpower Committee gave considerable thought to this aspect of local government organisation, and even the Boundary Commission made recommendations on the matter.

It is difficult, if not impossible, to assess the value of these various opinions without a full knowledge of delegation as it exists today. It was therefore a wise decision of the Institute of Municipal Treasurers and Accountants to sponsor this investigation into the present practice and extent of delegation by county councils.

Under the auspices of the Institute, Mr. Sampson, the County Treasurer of Staffordshire, has compiled a detailed and careful summary of the present practice in the 38 largest counties in England and Wales. In doing so he has collected much information which is essential to a proper understanding of the subject, and which would not be accessible without his studious investigations. Dealing in turn with half a dozen of the major services, he describes what functions are delegated, the nature of the bodies exercising the powers, and many of the administrative and financial details involved. He has included most of these facts in tables, refraining from giving the names of individual counties, on the grounds that it is not possible to indicate the many reasons and local circumstances which so largely explain the considerable

variations of procedure within the individual counties. In the final chapter he reviews the information which he has collected, putting forward some tentative opinions.

This work is to a great extent complementary to the study recently made of the same subject by Miss Emmeline Cohen (*Autonomy and Delegation in County Government*), sponsored and published by the Institute of Public Administration. She viewed the problems primarily from the angle of the minor authorities, he from that of the county councils. She sought to assess the success or failure of the existing methods of delegation, while he records the facts and statistics, with almost no comments. She investigated the opinions of officers and councillors, he the details of financial relations.

There can be no doubt that future discussions about delegation in local government will be better informed as a result of Mr. Sampson's work. He has given us a clear and accurate statement of the extent and methods of delegation as it exists today. This is intended only as a first stage towards a full study of the subject, and as such it is valuable. It is to be hoped that Mr. Sampson or someone else will now go on to the next stage. He reports, for example, that eight out of the 38 councils which he has studied delegate no part of their functions under the National Health Service Act. But we still do not know why not, nor how their health services compare with those of the councils which do delegate. So also, he records that only four county councils have delegated the administration and management of community centres to Divisional Executives, but the further questions remain unanswered.

For this reason it is perhaps unfortunate that Mr. Sampson refrains from giving the names of the counties to which he refers, but merely includes them in statistical tables. The study of a subject such as this is of value in so far as it helps to elucidate and explain it. The names of the counties would not in themselves explain all the reasons for the divergences of practice, but they would help towards an explanation. A bare statistical statement does not help so much.

It would also have been helpful if Mr. Sampson had indicated more clearly when he was using the word "delegation" in its strict sense, and when he was not. Strictly, it is only applicable to those cases in which the minor authority is empowered to take decisions which are final, not to those in which it is only authorised to discuss certain topics and make recommendations. In some instances he does distinguish between these two relationships, but to both alike he applies the word "delegation." Admittedly there

is no other convenient word to describe the latter type of cases, but yet the distinction is of real importance.

The author does not claim more for his book than that it is the first stage in the study of delegation. It is a foundation on which the structure of further study can be built. Like good foundations for a building it is solid and reliable, and not spectacular. It is a strong foundation, built by a craftsman, on which more can be built.

B. KEITH-LUCAS.

### *Four Essays in Accounting Theory*

By F. SEWELL BRAY (Oxford University Press), 1953. Pp. 94. 15s.

DR. JOHNSON knew "the good of accounting; it brings forward to a certainty that which before floated in the mind indefinitely." Professor Sewell Bray goes much further, much deeper, than the great doctor, who probably knew little in any case about even the practice of accounting. And it is true that many practising accountants today can get along quite well without great familiarity with the theory of their subject, which Professor Bray expounds so consistently, if not quite in the straightforward and simple terms which Dr. Johnson would have used.

For this series of four reprinted lectures, given to audiences of accountants and statisticians during the year 1951-52, is not very easy going, especially to the reader who is not well acquainted with Keynes's *General Theory*. The author's main purpose is to relate accountancy to economics, and to secure a better appreciation of the part played by the accounts of individual enterprises in the national economy. As he says, quoting himself, in the third lecture on "Accounting and Statistical Relationships," "accountancy may be thought of as a systematic record of the working of the economic structure of society in terms of monetary symbols.

As it takes on and develops notions of economic order, it gradually points to what *should be* by accuracy of statement in regard to what *is*." Measurement and form are the essential functions of accounts, and if the practice of accounting is to fit the underlying economic concepts, it must be adapted to reflect reality . . . "the problems of accounting classification as well as those of accounting measurement appear in a new light as soon as we recognise the dichotomy between the real and the financial."

Writing as "an accountant looking forward to the development of a subject in which he believes," Professor Bray gives a stimulus to a naturally "conservative" profession towards a more dynamic attitude to such matters as depreciation and stock valuation, which are not always viewed by accountants in their economic significance. He probes the theory of accounting throughout the four lectures, the others being entitled "Accounting Principles"—a very readable exposition—"Company Accounting," and "Accounting Form." Since they have a common theme, there is some overlapping, but this is on the whole refreshing.

ERNEST LONG.

### *Bibliography on Public Administration Annotated (4th Edition)*

By CATHERYN SECKLER-HUDSON (American University Press, Washington, D.C.), 1953. Pp. vii + 131. \$3.50.

THERE are 1,200 carefully selected references in this volume, which is twice as long as the 1949 edition. The subjects covered include: Administrative Law;

International Administration; Budgetary Administration; Organisation and Management; Public Personnel Administration; Bibliographies and Guides; Research

Public Relations; Government Publications; and Periodicals Relating to the Study of Public Administration. Publisher, date and place of publication are given in each case. It is regrettable that the prices of the items are not given, although these would be particularly useful to people in this country. The material is mainly American, but the selection generally consists of authoritative works which have considerable significance at the present time. Only those in the English language are included. Most entries have an annotation, but these are somewhat disappointing. It is irritating to read over and over again "this volume contains," "this document contains," "this publication contains," etc., etc., which add nothing to the value of the annotation, and which, if omitted, would save hundreds of lines of type, and many sheets of paper.

Fenn's *Development of the Constitution* has as an annotation "One of the best general treatises on the development of the constitutional system." I suggest the note should end at "treatises." There are many similar instances. Adjectives such as "valuable," "worthwhile," etc., appear far too frequently. The mere fact of a work's inclusion in the bibliography

presupposes the qualification. Bosworth Monck's *How the Civil Service Works* has, as an annotation, "A valuable analysis of the Civil Service system and its methods." The qualifying adjective in the note would not be accepted by everybody, and it would have been more useful if it had stated that it was the British Civil Service being written about. Only the American publisher is given, and there is nothing to show the ignorant that it is not concerned with the American or any other Civil Service. I only point out these blemishes in order to save the compiler time and space in the next edition. They do not reduce the value of the material. These criticisms must not be taken as a condemnation of this work, which is undoubtedly one to be consulted by everyone requiring to extend his knowledge of the why and how of public administration, to whom it must be recommended as indispensable. There are very few English books included, presumably because there is such a scant literature in this country which deserves mention. Among the periodicals I noticed that the *Journal of Public Administration* (New Zealand) is included, but not *Public Administration* (Australia).

B. M. HEADICAR.

### *Nationalisation in Practice : The British Coal Industry*

By W. W. HAYNES (Bailey Bros. & Swinfern), 1953. Pp. xviii + 413. 32s.

HERE is a useful survey of the nationalised coal industry by an American Professor of Business Administration. The book originated as a doctoral dissertation in the Harvard Business School, but unlike so many theses, which often make deadly dull books, this one is extremely readable. For British readers its main value lies not in its originality, but in the skill with which Dr. Haynes has organised a large amount of published material and interwoven the experiences and impressions he gained during a field trip to Britain on a Fulbright Grant. The result is an intelligent and objective review for the general reader, and a useful textbook for teachers of University courses on the nationalised industries and "government and industry."

Dr. Haynes begins with a chapter on the coalfields themselves and continues with a brief history of the industry. He then deals with problems of the coal industry before nationalisation, the political

controversy over nationalisation, and the physical and human organisation of the mines. His next two chapters are concerned with the 1946 Act, and the preparations for Vesting Day. He follows this with a general survey of the results of nationalisation, and then discusses specific issues in more detail: the miners' response to nationalisation, the development of joint consultation, the issue of workers' control, and the relations of the Board to Parliament and the Minister. He next turns to the internal organisation of the Board. Finally, he has two chapters, one on price policies, and one on physical reconstruction and capital investment. The ordering of the chapters is slightly odd, and perhaps the material could have been rearranged in a more aesthetically satisfying way. It is doubtful, however, whether this would have affected the book's value as a text.

Dr. Haynes says he is primarily interested in managerial and organisational

problems under the new regime; but as one would expect of a graduate of the Harvard Business School, he devotes a good deal of attention under this head to the broader issues of "human relations" in the industry. This is an important aspect of nationalisation which, in our concern with constitutional issues and the problems of formal organisation, British students of public administration have tended to neglect. We have had excellent discussions of the machinery for joint consultation, the structure of the Board's organisation, public accountability, decentralisation, and so on. But we have devoted little attention to investigating the causes of absenteeism, "unofficial strikes," and all the other real problems that plague the staffs at Hobart House and the Ministry of Fuel and Power. Empirical enquiry into these problems is surely a job for the administrator as well as for the social anthropologist—if anyone can be found to do it.

British readers will naturally be interested in the impressions of an American observer. Many of Dr. Haynes's conclusions are fairly obvious: technical progress has been made; the miners, though expressing a preference for public ownership, are disappointed with the results of nationalisation; by the standard of the optimistic promises of the Labour Party, nationalisation has been a failure, but by the standard of the gloomy pre-

dictions of Conservatives "the actual outcome looks hopeful indeed."

Other conclusions are more interesting. Dr. Haynes hopes that the issue of centralisation versus decentralisation will be tackled function by function and not by the application of a set of *a priori* principles of "good" management. He stresses the need to restore the confidence and sense of status of the colliery manager, which he believes has been severely shaken by the changeover. He is concerned with the need to improve communication between management and worker, and in this respect thinks that reliance on the consultative machinery alone will prove inadequate. Closely allied to this is the need to raise the status of the miner in the community, and he believes that wage increases are by themselves insufficient to do this. He is concerned with the need for a redefinition of the role of unionism in the industry, necessitating changes in the Union's relations with the Board and the rank-and-file membership.

Dr. Haynes does not come up with any final answers, but he marshals the facts clearly and states his conclusions objectively. It would be pleasant to hope, in view of the fairly widespread misrepresentation of nationalisation, that his book would be widely read in America. The origins of his study and the circumstances of its publication unfortunately make this unlikely.

J. W. GROVE.

## *Governmental Liability: A Comparative Study*

By H. STREET. Cambridge University Press. 1953. Pp. 223. 25s.

PROFESSOR STREET, by his collaboration with Mr. J. A. G. Griffith in their *Principles of Administrative Law*, has already placed the legal profession under a heavy debt for a thoroughly up-to-date treatment of a subject which daily grows in importance and in complexity. The present volume is an indispensable complement to its predecessor, completing a piece of comprehensive research and reflection. It is the fruit of a year's study in the United States on a Commonwealth Fellowship, and is another testimony to the value of that foundation.

After a brief but lucid historical survey of State liability to the citizen both in the Anglo-American sphere and on the Continent, the author examines his subject under the headings of tort, contract,

expropriation, quasi-contract, trusts, forms of remedies against the State, and limitations on its liability in matters both of substance and of procedure. Throughout, comparisons are sketched between the English and other systems, particularly the American, French and German, with valuable reference to the law and practice in the British Dominions. As was to be expected, the fullest comparison is with the administrative law of the United States, and here the author's investigations on the spot, and his wide knowledge of the relevant American literature, are of outstanding value.

Much of the discussion is necessarily concerned with the scope and effect of the Crown Proceedings Act. That famous statute, after its long and painful gestations,

# BOOK REVIEWS

has proved something of a paradox. In the controversies which delayed it so obstinately, one of the stock sophistries dear to its opponents was that it would lead to endless speculative claims against the Crown and would thus embarrass intolerably all efficient administration. Nothing of the kind seems to have happened, and the most surprising thing about this "revolutionary" measure is the paucity of decisions—or, at all events, reported decisions—upon it since it was passed in 1947. If many actions, especially in tort and contract, are now instituted against the Crown, it seems probable (though it is difficult to obtain accurate information) that they are settled out of court by plaintiffs who would rather compromise than risk encounter with the unlimited resources of the State; and thus things remain much as they were under the old régime. Like other writers before him, Professor Street shows that the Act abounds in *lacunae* and in problems of interpretation, but they will remain unresolved until litigants are bold or rich enough to bring them to judicial determination.

The book is a masterpiece of compression. Of Professor Street it can be said, with no apology for the *cliché*, that he does not waste a word. This commendable economy, however, inevitably carries its own penalties. Thus, while some parts of the description of the French *droit administratif* are a really brilliant *précis*, others, such as the important distinction between *contentieux de pleine juridiction* and *d'annulation* are scarcely made clear. Nevertheless, it is remarkable how much solid matter the author has

packed into 186 pages, and if we are sometimes tempted to ask for more, there is every hope that we may look forward to it in Professor Street's future writings.

Despite this conciseness—not to say parsimony—no major issue is shirked and no criticism of the existing order is merely destructive. The author presents forceful suggestions for reform where reform is obviously needed, and they never consist of blind acceptance of other systems which would be inappropriate in England. Not the least interesting of his proposals is a special branch of law for Government contracts, which other countries have found necessary, and a thorough revision, on lines already recommended by the Tucker Committee, of our whole unjust law of limitation of actions against public authorities. Professor Street has all informed opinion with him in his shattering criticism of the law of discovery and privilege as laid down in the unfortunate decision in *Duncan v. Cammell Laird & Co.*, and his vigorous assault is vindicated by the recent melancholy example of *Ellis v. Home Office*.

Everywhere we are made conscious that we have not yet adapted traditional rules, especially those connected with the prerogative, to a fundamentally changed society, and that we lag far behind other countries in facing the realities of a new situation. Few readers, we imagine, after study of this author's searching analysis, will find it possible to disagree with his general conclusion that "English law has not yet made a full contribution to the reconciliation of the freedom of the individual and the authority of the State."

C. K. ALLEN.

## BOOK NOTES

### *Government Statistical Services*

H.M. Stationery Office. 1953. Pp. 28.  
1s. 3d.

A VERY clear and informative booklet published for the Treasury about the organisation and staff of the statistical services of the British Government; the statutory provisions covering collection and publication; and methods of collection and tabulation. Two appendices give information in tabular form about the general area of responsibility of each Department for collection and the principal statistical publications.

### *Whitleyism: A Study of Joint Consultation in the Civil Service*

By JAMES CALLAGHAN, M.P. Fabian Research Series No. 159. Pp. 40. 2s.

THIS is a very readable and well informed account of the development and working of Whitleyism in the Civil Service. Though the sub-title implies that the booklet is primarily about joint consultation the author devotes less than a quarter of his space to consultation in the normal sense of the word. In large part this is of course because the two functions of negotiation and consultation in the Civil Service are both carried out by the same Whitley machinery. There are Departmental exceptions and one would have wished to hear more about these and their lessons for the Service generally. Mr. Callaghan pays the following tribute to Mr. A. J. T. Day, Chairman of the Staff Side: "The success of the present informal methods of negotiation owes a great deal to his standing with his Staff Side colleagues and the respect which is felt for him by Treasury officials."

### *Workers and Management: The German Co-determination Experiment*

By T. E. M. MCKITTERICK and R. D. V. ROBERTS. Fabian Research Series No. 160. Pp. 32. 1s. 3d.

THIS is a very useful account of the history and present operation of *Mitbestimmung* (worker participation in management) in German industry. The authors are quite frank about the problems involved though they see these largely from the viewpoint of the trade unions and not of the management. The trade unions

are short of qualified people to act as their management representatives; participation in management may limit the representatives' action because of the secrecy involved; and may weaken the desire of unions for socialisation and indeed weaken their unity. So far as the lessons for Britain are concerned the authors are worried about participation limiting the freedom of the trade unions without giving them any effective say in management. Their conclusion is that in the conditions of present day Britain "it is more important to aim at effective consultation than at more direct control, since the unions are thus left free to use their direct influence through the traditional mechanisms. . . . To introduce co-determination on the German lines into British industry would run the risk of obscuring the eventual issues of ownership and public control. . . ."

### *Comparative Public Administration: An Outline of Topics and Readings*

By LYNTON K. CALDWELL. Graduate Programme in Public Administration (Albany, N.Y.). Pp. 50 (mimeo.).

IN essence this is an extremely useful select bibliography of writings about the Public Officials of most of the countries of the world, other than the United States. On some points it goes a little wider, but it cannot claim to live up to its title. The author has wisely confined his choice to books and journals likely to be available in a good library in the United States and has not cluttered up his pages with tantalising references to lesser known periodicals. Judging by the references in the British section (one-quarter of the whole) he has done a good job even though a number of minor errors have crept in and there are several notable gaps.

### *Parliamentary Papers*

Hansard's Catalogue and Breviate of, 1696-1834. Reprinted in Facsimile with an Introduction by P. and G. FORD. Basil Blackwell (Oxford). Pp. xv+220. Quarto. 40s.

Select List of, 1833-1899, by P. and G. FORD. Basil Blackwell (Oxford). Pp. xxii+165. 27s. 6d.

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further in their debt by these two further volumes. They have already covered the period 1917-1939 and two further volumes are promised covering the periods 1900-1916 and 1940 to date. We should then have a reliable and handy guide to the Parliamentary Papers of some 250 years. The two new volumes are not in the same detail as the first. The 1696-1834 volume gives a useful analysis of the subjects covered by each report, but the 1833-1899 volume is in effect only a classified select list of papers. This latter volume does, however, give a select list of annual reports and statistical returns.

In the 1833-1899 volume the authors contribute an all too short commentary on the use of Parliamentary Papers, the snags to be encountered in their citation and also some reflections on the use of Commissions of Inquiry.

### *Political Studies*

NUMBER 2 of this new journal contains at least two articles of direct interest to students of public administration. Professor R. N. Spann writes on "The Character of the Civil Service in Washington," and Professor H. Street writes on "Law and Administration: Implications for University Legal Education." The journal is published by the Oxford University Press, 25s. per annum (three issues) or 10s. 6d. per copy.

### *Political Science in India*

By Professors KOKEGAR and APPADORAI.  
Premier Publishing Co. (Delhi). Pp. 110. Rs.5.

THIS shows how much still requires to be done before Indian political scientists can claim to be making an effective contribution to the general education of India and to the solution of its many political, social and administrative problems. Equally the authors show how bravely the task is being undertaken notwithstanding its size and the poverty of the universities. Drawing on its own vast cultural resources with its own outlook, yet linked with Western thought, India should one day be able to make an important contribution to political theory and practice.

### *The Electoral System in Britain, 1918-51*

By D. E. BUTLER. O.U.P. Pp. 222. 21s.

THIS is an extremely competent and

interesting account of the British Parliamentary (not local) electoral system and how it worked during the period. Electoral expenses; the business vote; university representation; P.R.; forfeiture of deposits—are dealt with and there is a great deal of new data about election results, relations between seats and votes, by-elections, etc.

### *Ecole Nationale D'Administration*

Rapport du Directeur de l'Ecole, 1945-52. Imprimerie Nationale (Paris).

M. BOURDEAU DE FONTENAY has prepared a very thorough account of this important formative period of the E.N.A. He starts with the purposes of the school and the methods of entry, then has a long section on the kind of training given and finishes with an account of how the school is organised and financed. Almost half the report (of 639 pages) is in the annexes and these give examples of the written and oral tests, statistics of students, information about the syllabus, reading lists—indeed almost everything for an appraisal and understanding of the important work of the E.N.A.

### *Aneurin Bevan*

By VINCENT BROME. Longmans. 1953  
Pp. 244. 15s.

IN this very readable study of one of the most turbulent characters in post-war politics, Mr. Brome is faced with the almost impossible task of writing a biography about a man still very much alive. Inevitably some things that should be said are therefore left unsaid; in particular there is little about Mr. Bevan as an administrator. The personal story of Mr. Bevan and his rise from obscurity to the front benches of Westminster is at times lost in pages of political history. Mr. Brome draws rather heavily on the published work of Mr. Bevan himself, on Miss Jennie Lee's book *This Great Journey*, and on quotations from Hansard. The reader would very much prefer a more intimate picture and a more personal assessment. Nevertheless, the author catches the conflicting phases of the Welshman's character and the gradual change from the gauche, explosive young man to the near-mature statesman.

### *Social Implications of the 1947 Scottish Mental Survey*

By the Scottish Council for Research in Education. University of London Press. Pp. xxiii+356. 10s. 6d.

No. XXXV of the publications of the Scottish Council for Research in Education is sponsored by the Council's Mental Survey Committee. Mr. James Maxwell, of Moray House Training College, Edinburgh, has done most of the work. *The Trend of Scottish Intelligence* (1949), which gave an account of the 1947 survey of the intelligence of 11-year-old Scottish children, revealed a strong negative association between size of family and average score of children belonging to each size. The statistics are now deployed in the light of their social significance. Here are the correlations of the intelligence test scores to such items as size of family, age of mother, number of persons per room, occupational class of father, twins, deprived children, and other topics. All this is impeccably displayed and scrupulously validated, and the conclusions are modest and restrained. The results will be immensely useful to administrators in education and the social services.

### *The Hospitals Year Book, 1953-54*

Edited by J. F. MILNE. Institute of Hospital Administrators. 1953. Pp. 1,088. 42s.

THIS latest edition of an indispensable work of reference follows substantially the lines of previous issues, except for the omission of the detailed bed and patient statistics formerly appearing in Section 8 and now included in the Ministry of Health's annual statistical review of hospital and specialist services. In addition the section devoted to purchasing has been revised and simplified. An introductory article by the editor surveys the achievements and problems of the hospitals after five years' working of the National Health Service.

### *The Faber Medical Dictionary*

Edited by Sir CECIL WAKELEY. Faber and Faber. 1953. Pp. xii+471. 45s.

THE value of this concise yet comprehensive medical dictionary is greatly enhanced by the fact that it was prepared to meet the day-to-day requirements not only of doctors, dentists and nurses, but also of

hospital administrators, social workers and other laymen who are concerned, directly or indirectly, with medical matters. Each entry comprises a clear definition accompanied, where necessary, by etymological and bibliographical data.

### *The Planning of Industrial Location*

By PETER SELF. University of London Press. 1953. Pp. 47. 2s. 6d.

A STUDY of the location of industry in Great Britain, with particular reference to the problems involved in executing the official policy of transferring both people and work from overcrowded centres to new towns and to existing medium-sized towns which are scheduled for expansion.

### *The Queen's Peace*

By Sir CARLETON KEMP ALLEN. Stevens. 1953. Pp. xi+192. 12s. 6d.

IN this fifth series of Hamlyn Lectures, the author shows how the Queen's Peace, which is now taken for granted as the normal state of civilised society, has gradually evolved since Anglo-Saxon times.

### *Transport Costing*

Gee & Co. 1953. Pp. 23. 2s. 6d.

A JOINT research committee of the Institute of Municipal Treasurers and Accountants and the Institute of Cost and Works Accountants is responsible for this report, which investigates the methods of controlling the costs of road transport vehicles, other than those used for passenger transport. The practices of both local authorities and public corporations are summarised in the study, which shows clearly the need for realistic standard costs. The desirability is also emphasised of restricting the collection of costing data to information which serves a definite purpose. Otherwise much waste of time and effort is inevitable. The committee states that 1 per cent. better utilisation of vehicles in this country would reduce expenditure by £4 million per annum. For operators of road haulage services the aim must always be to make the fullest possible use of available vehicles.

### *Public Lettering (Book R, in Series of Design Folios)*

Council of Industrial Design. 1952. Pp. 12. 25s. (for series of folios).

THIS folio comprises a preliminary note

on alphabets, lettering and typography; a series of 12 plates illustrating the use of lettering for outdoor display; and a concluding section which contains a commentary on the plates. The aim of the compilers of the folio is to show how, by a judicious choice from the rich variety of available type faces, those responsible for designing outdoor lettering can convey their message in a manner which is both forceful and pleasing.

*The British Health Service*

By DEREK H. HENE. Shaw & Sons. 1953. Pp. xii+144. 15s. 6d.

A FACTUAL exposition of the main features of the machinery and working of the National Health Service, intended primarily for the consumer. A novel attempt is made in the final chapter to illustrate the part played by the various types of health authority by means of a brief case history of an accident.

*The Law of Parks and Recreation Grounds*

By ROLAND J. RODDIS. Shaw & Sons. 1953. Pp. xxiii+155. 17s. 6d.

THE author brings together in a single volume the Common and Statute Law relating to public open spaces of various kinds.

*The Older Unemployed Man in Hull*

By A. G. ROSE. University College of Hull. 1953. Pp. 38. 2s.

THIS pamphlet contains the results of an enquiry into the causes and effects of unemployment among 62 workless men aged over 50. A number of specific suggestions are made for measures to assist this class of unemployed men.

*Education and Training in the Field of Management (Vol. 1)*

British Institute of Management. 1953. Pp. 184. 7s. 6d.

THIS survey of courses at universities and associated colleges of technology forms the first volume to appear in a series of three which together will provide a complete prospectus of British facilities for management education. Whenever possible the information is given in the form of complete syllabuses.

*Institutions and Individuals*

Compiled by KATRINE R. C. GREENE, Public Administration Clearing House (Chicago), and MARTINUS NIJHOFF (The Hague). 1953. Pp. vi+59. \$2.80.

THIS annotated list of directories useful in international administration gives brief details of 220 works published in a number of Western European languages. The main emphasis is on post-war works which contain descriptions of institutions or individuals.

*History in Hansard, 1803-1900*

Compiled by STEPHEN KING-HALL and ANN DEWAR. Constable. 1952. Pp. xxiv+252. 21s.

THE compilers describe this work as "an anthology of wit, wisdom, nonsense and curious observations to be found in the Debates of Parliament." It consists of 321 quotations from Hansard, dealing with almost the whole range of human affairs, which convey a most vivid picture of the political, economic and social changes which the past 100 years and more have witnessed.

*Revenue Administration and Policy in Israel*

United Nations and H.M.S.O. 1953. Pp. 107. 7s. 6d.

THE report to the Government of Israel of an expert appointed by the Technical Assistance Administration of the United Nations. Chapters are devoted in succession to revenue policy and structure; progression; the concept of income—taxation of irregular income and capital gains; taxation of closely-held companies; administration of the income tax; training programme for public finance officials; and a two-year technical assistance plan for the Israeli Ministry of Finance.

*A People's Conscience*

By STRATHEARN GORDON and T. G. B. COCKS. Constable. 1952. Pp. vii+252. 21s.

By means of a survey of six enquiries which Parliament held between 1729 and 1837 the author shows the part played by it in uncovering and remedying conditions which seem unbelievably gruesome even by comparison with the worst horrors which recent decades have witnessed.

*The British Productivity Council*

British Productivity Council. 1953.  
Pp. 14. 6d.

A BRIEF account of the aims, policy, programme and organisation of the British Productivity Council itself and of Local Productivity Committees formed of employers and trade union officials. Among the most interesting developments described are the circuit scheme for the exchange of team visits, and the series of instructional films on productivity subjects.

*Financing State Government in Texas*

By LYN F. ANDERSON and T. E. McMILLAN, Jr. Institute of Public Affairs, University of Texas. 1953.  
Pp. x+196. \$2.00.

THE authors have sought to give in this booklet an overall analysis of the organisation and operation of Texas state finance. Their study covers the state's revenue, expenditure and debt status during the past decade, and also gives a detailed picture of the tax system and of the working both of federal aid and of state aid to local authorities. A final chapter indicates some of the main problems facing the state today, and gives the author's views on their solution.

*Survey of Texas Laws on Fire Prevention and Control*

Institute of Public Affairs, University of Texas. 1953. Pp. 106. \$1.00.

THIS survey, which was initiated by the Houston Chamber of Commerce, describes the part played in the prevention and control of fire hazards by the state itself, by municipalities and counties, and by *ad hoc* bodies. Special attention is devoted to problems of inter-authority co-operation.

*State Supervision of Municipal Finance*

By T. E. McMILLAN. Institute of Public Affairs, University of Texas. 1953. Pp. 100. \$1.00.

A COMPARATIVE study of the methods adopted by American States in supervising municipal accounting, auditing, reporting, budgeting and debt management. The total picture which emerges is one of great variation in the degree of compulsory and optional supervision exercised. Appendices contain, in tabular form, the information obtained in reply to questionnaires.

*Better Board Meetings*

By MARY SWAIN ROUTZAHN. National Publicity Council for Health and Welfare Services (New York). Pp. 112. \$2.00.

THIS publication is based on a survey of board meeting practices and suggests ways of improving the attention and attendance of those serving on the boards or councils of voluntary organisations.

Some points raised by Mrs. Routzahn are useful, such as the need for sending out interesting agenda and information before the meeting. Meetings in pleasant or relevant surroundings are advocated, although meetings held under portraits of former presidents, as described by one organisation, might be frightening on occasions. Quoted examples of brighter minutes would not be readily adopted in this country.

It should have been possible to include most of these points in a cheaper pamphlet, which would have been equally useful to organisations not concerned with the survey itself.

# RECENT GOVERNMENT PUBLICATIONS

THE following official publications issued by H.M.S.O. are of particular interest to those engaged in, or studying, public administration. The documents are available for reference in the Library of the Institute.

**Advisory Council on Scientific Policy**  
Sixth annual report, 1952-53. Cmd. 8874. pp. 12. 6d.

**Agricultural Land Commission**  
Sixth report, for the year ended 31st March, 1953. H.C. 280. pp. vi, 59. 2s. 6d.

**British Overseas Airways Corporation**  
Report and accounts for 1952-53. H.C. 278. pp. vi, 68. 11 graphs. 2s. 6d.

**British Broadcasting Corporation**  
Annual report and accounts for the year 1952-53. Cmd. 8928. pp. 121. 4s. 6d.

**British European Airways**  
Report and accounts for 1952-53. H.C. 277. pp. 124. Graphs, charts, tabs. 5s. 6d.

**British Electricity Authority**  
Fifth report and accounts, 1952-53. H.C. 251. pp. 238. Charts, tabs. 8s. 6d.

**Cable and Wireless Limited**  
Accounts for the year ended 31st March, 1953, together with the report of the director. Cmd. 8913. pp. 21. 9d.

**Central Health Services Council**  
Report for the year ended 31st December, 1952, preceded by a Statement made by the Minister of Health. H.C. 218. pp. viii, 30. 1953. 1s. 3d.

**Central Land Board**  
Report for the financial year 1952-53. H.C. 201. pp. 14. 6d.

**Central Statistical Office**  
Monthly digest of statistics, July-September, 1953. 4s. 6d. each.

**National income and expenditure, 1946-52.** pp. x, 98. August, 1953. 6s.

**Civil Service Commissioners**  
Report of the C.S.C. for the period 1st April, 1949, to 31st March, 1952. pp. 61. 1953. 2s.

## Colonial Office

Colonial research, 1952-53. Cmd. 8971. pp. 268. Bibliogs. 1953. 7s. 6d.  
Reports covering ten different fields of research.

Corona, Monthly. 1s. 6d.

Digest of colonial statistics, September-October, 1953. 5s.

Industrial development in Jamaica, Trinidad, Barbados and British Guiana: report of mission of United Kingdom industrialists, October-November, 1952. Colonial No. 294. pp. iv, 51. 5 charts. 1953. 2s.

Journal of African Administration, October, 1952. 2s. 6d.

Overseas education, October, 1953. 1s. 6d. Contains an article on "Teacher Training at Toro," Northern Nigeria, during the last seven years, showing development.

The plan for a British Caribbean Federation agreed by the Conference on West Indian Federation held in London in April, 1953. Cmd. 8895. pp. v, 30. 1953. 1s.

Report by the Conference on the Nigerian Constitution, held in London in July and August, 1953. Cmd. 8934. pp. 23. 9d.

Report to the General Assembly of the United Nations on the Administration of Tanganyika under U.K. Trusteeship for the year 1952. pp. x, 373. 32 illus., folding map. Colonial No. 293. 1953. 12s. 6d.

**Committee of Public Accounts**  
Session 1952-53. Third report. H.C. 203. pp. 37. 1s. 3d.

**Commonwealth Relations Office**  
Native administration in the British African territories, by Lord Hailey. Vol. V—The High Commission Territories—Basutoland, the Bechuanaland Protectorate and Swaziland. pp. xiv, 447. 1953. Vols. I-IV of this work, published in 1950-51, dealt only with the dependencies controlled by the Colonial Office. This volume surveys the economic resources of the territories, the racial origins of the peoples, and the growth of the native councils and

courts. With its companion volumes the work can rightly claim to be the standard reference book on the progressive grant of responsibility in the control of their own affairs to the native populations of Africa. No attempt is made to comment at length on the Bamangwato dispute or the transfer of these territories to the Union of South Africa.

**Council for Wales and Monmouthshire**  
Second memorandum by the Council on its activities. Cmd. 8844. pp. 80. 3 maps, 19 tabs. 1953. 4s. Mainly devoted to the work of the Rural Development Panel. The first memorandum was issued in July, 1950.

**Foreign Office**  
Miscellaneous No. 15 (1953). Report on the Proceedings of the 1953 sessions of the Consultative Assembly of the Council of Europe, Strasburg, January, May, June and September, 1953. Cmd. 8970. 1s. 9d.

Treaty Series No. 71 (1953). Convention for the Protection of Human Rights and Fundamental Freedoms. Rome, 4th November, 1950. Cmd. 8969. pp. 28. 1953. 1s.

**General Post Office**  
First report of the Television Advisory Committee, 1952. pp. 14. 4 maps. 1953. 1s. 6d.

**General Register Office**  
Registrar General's decennial supplement, England and Wales, 1931—Part II B. Occupational fertility 1931 and 1939. pp. vi, 99. 1953. 13s. 6d. (*Processed.*) The last of the series of decennial supplements issued in connection with the census of 1931.

**Home Office**  
Child migration to Australia: report by John Moss. pp. iv, 49. 1953. 2s. Types of institutions: home conditions and environment: employment and after care.

Continuance of emergency legislation: explanatory memorandum. Cmd. 8990. pp. 8. November, 1953. 4d.

Decontrol of food and marketing of agricultural produce. Cmd. 8989. pp. 7. November, 1953. 4d.

Interim report of the Departmental Committee on Coastal Flooding: flood warning system. Cmd. 8923. pp. 9. 1953. 6d.

Report of H.M. Inspectors of Constabulary for the year ended 30th September, 1952. H.C. 216 (Counties and Boroughs, England and Wales.) pp. 27. 1953. 1s.

Report of H.M. Chief Inspector of Fire Services (Counties and County Boroughs, England and Wales) for the year 1952. Cmd. 8909. pp. 19. 1953. 9d.

Report of the Committee on Police Extraneous Duties. pp. 16. 1953. 6d.

#### Inland Revenue

Income taxes in the Commonwealth: a digest in two volumes of the laws imposing taxes on income in the Commonwealth. Vol. 2—Isle of Man, Channel Islands, Southern Rhodesia, Colonies, Protectorates, etc., and Trust Territories. pp. v, 875. 1953. 30s. cloth. A factual work, the details of the administrative machinery being outside the scope of the work. The tax year dealt with is the calendar year 1951, or its equivalent.

**Iron and Steel Consumers' Council**  
Report for the final period. (1st October, 1952, to 30th June, 1953.) H.C. 224. pp. 7. 4d.

#### Lord Chancellor's Office

Final report of the Committee on Supreme Court Practice and Procedure. Cmd. 8878. pp. 380. 1953. 11s. A very important report of a searching enquiry into the legal processes in this country, the result of six years' study, during which the full Committee held 40 meetings and the 21 sub-committees nearly 400.

Report of the Departmental Committee on a Central Criminal Court in South Lancashire. Cmd. 8955. pp. 32. 1953. 1s. Recommends the appointment of two full-time salaried recorders, instead of the establishment of a central court.

#### Ministry of Civil Aviation

Report of the Air Transport Advisory Council for the period 1st January 1952, to 31st March, 1953. H.C. 233. pp. 48. 4 maps. 3s.

#### Ministry of Education

Circulars and administrative memoranda issued during the period 1st April, 1942, to 31st March, 1953. pp. not continuous. Cloth 10s. 6d.



# RECENT GOVERNMENT PUBLICATIONS

## Ministry of Food

Clean catering : a handbook on hygiene in catering establishments. pp. iv, 59. 4 plates, 14 figs. 1953. 2s. 6d.

Report of the Committee of Inquiry into the Slaughter of Horses. Cmd. 8925. pp. 56. 1953. 1s. 9d.

## Ministry of Fuel and Power

Industrial Coal Consumers' Council. Domestic Coal Consumers' Council. Annual reports for the year ended 30th June, 1953. H.C. 206. pp. 18. 9d.

## Ministry of Health

Report for the year ended 31st December, 1952. Part I. (1) The National Health Services (including a chapter on international health. (2) Welfare, food and drugs, civil defence. Cmd. 8933. pp. xiv, 186. 1953. 5s.

Report of the working party on the recruitment, training and qualification of sanitary inspectors. pp. vi, 145. 1953. 4s. 6d. The work of a sanitary inspector, recruitment, training, examinations, the examination authority. Recommends that a qualifying examination should be made for all new appointments as a sanitary inspector, whose designation should be altered to "Public Health Inspector."

## Ministry of Housing and Local Government

Design in town and village. pp. vi, 120. 1953. Cloth 10s. 6d. Part I—the English village, by Thomas Sharp. Part II—the design of residential areas, by Frederick Gibberd. Part III—design in city centres.

Houses, 1953 : third supplement to the "Housing Manual, 1949." pp. vii, 63. 56 illus., plans, etc. 1953. 3s.

Houses, the next step. Cmd. 8996. pp. 20. 1953. 9d.

Local government financial statistics, England and Wales, 1951-52. pp. 16. 1953. 9d.

Report of the committee appointed to investigate the operation of the Exchequer Equalisation Grants in England and Wales. pp. 59. 1953. 2s.

Ministry of Labour and National Service Annual report for 1952. Cmd. 8893. pp. vii, 164. 15 illus. 1953. 5s.

National Advisory Committee on the Employment of Older Men and Women : first report. Cmd. 8963. pp. 62. October, 1953. 2s.

## Ministry of National Insurance

Fourth report for the year 1952. Cmd. 8882. pp. x, 102. 1953. 3s. 6d.

## Ministry of Pensions

28th report, 1952-53. H.C. 271. pp. iv, 104. Illus., maps, charts. 1953. 3s. 6d. Final report of the Ministry before its amalgamation with the Ministry of National Insurance.

## Ministry of Works

District heating, by the Heating and Ventilation (Reconstruction) Committee of the Building Research Board of the Department of Scientific and Industrial Research, 1953. Vol. I—parts I-V. pp. xii, 192. 7s. 6d. Vol. II—part VI. pp. xii, 243. 10s. Illus., charts, tabs. Post-war building studies, Nos. 31-32.

## National Assistance Board

Report for the year ended 31st December, 1952. Cmd. 8900. pp. 57. 1953. 2s.

## New Towns Act, 1946

Reports of the East Kilbride and Glenrothes Development Corporations for the year ended 31st March, 1953. H.C. 232. pp. 64. 4 illus., 2 maps. 2s. 6d.

## Privy Council

Report of the Medical Research Council for the year 1951-52. Cmd. 8876. pp. iv, 241. Bibliogs. 1953. 6s. 6d.

## Royal Commission on Capital Punishment, 1949-53

Memoranda and replies to a questionnaire received from Foreign and Commonwealth countries. III—Europe. pp. 791-868. The two previous volumes related to the Commonwealth and the United States. The present part contains the replies received from eight countries in Europe. Report. Cmd. 8932. pp. iv, 506. 1953. 12s. 6d.

## Scottish Home Department

Report of the committee appointed to investigate the operation of the Exchequer Equalisation Grants in Scotland. pp. 36. 1953. 1s. 6d.

## Scottish Department of Health

National Health Service. Scottish hospitals directory. pp. 40. 1953. 1s. 6d.

Scottish Health Services Council. The ageing population: report by the Standing Medical Advisory Committee. pp. 13. 1953. 6d.

#### Scottish Office

Housing policy, Scotland. Cmd. 8997. pp. 10. 1953. 6d.

#### Select Committee on Estimates

Session 1952-53. Tenth report—departmental replies to the 8th report (on schools). H.C. 227. pp. 11. 6d.

Eleventh report—The Post Office. H.C. 234. pp. x, 46. 1953. 2s. Recommends investigations by the Post Office and the Treasury of schemes for bringing about a reduction in the deficit on the Inland Telegraph Service, and also into the advisability of increasing the rates for inland press telegrams.

Twelfth report—Technical education. H.C. 273. pp. xxii, 173. 1953. 7s. 6d.

Thirteenth report—Assistance to exporters. H.C. 274. pp. xxii, 101. 1953. 5s. Board of Trade; Dollar Exports Council; Council of Industrial Design; British Standards Institution.

Fourteenth report — Departmental replies. 1. Export credits. 2. Monopolies and Restrictive Practices Commission. H.C. 275. pp. 9. 1953. 6d.

Fifteenth report—Departmental replies. 1. The call up, posting and movement of national service men. 2. Roads. 3. Technical education. H.C. 295. pp. 18. 1953. 9d.

#### Select Committee on Statutory Instruments

Special report (Avoidable obscurity, inadequate information, self-delegation) H.C. 301. pp. ix. 1953. 6d.

#### Stationery Office

Government publications. Consolidated list for 1952. pp. 249-508, lvii. 1s. Contains all items published by H.M.S.O. (except Statutory Instruments) during 1952. Classified under the issuing departments, with an index under titles. Prices are given in all cases.

#### Treasury

Finance accounts of the United Kingdom for the financial year 1952-53. H.C. 191. pp. 76. 3s.

Government information services: statement showing estimated expenditure 1953-54. Cmd. 8949. pp. 4. 3d. National debt, 1938-39 to 1952-53. Cmd. 8975. pp. 27. 1s. 3d.

United Kingdom balance of payments 1946-53. Cmd. 8976. pp. 79. October, 1953. 2s. 6d.

#### University Grants Committee

University development: report on the years 1947-52. Cmd. 8875. pp. 93. 1953. 3s. 6d.

#### Wales and Monmouthshire

Report of Government action for the year ended 30th June, 1953. Cmd. 8959. pp. 82. 3s.

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